

Management Council
Wyoming Legislative Service Office
State of Wyoming
213 Capital Building
Cheyenne, Wyoming 82002

We are pleased to present this report related to our audit of the statement of cash receipts and cash disbursements of Wyoming Legislative Service Office, State of Wyoming for the two years ended June 30, 2010. This report summarizes certain matters required by professional standards to be communicated to you in your oversight responsibility for Wyoming Legislative Service Office's financial reporting process.

Statement on Auditing Standards No. 114 requires the auditor to communicate certain matters to keep those charged with governance adequately informed about matters related to the financial statement audit that are, in our professional judgment, significant and relevant to the responsibilities of those charged with governance in overseeing the financial reporting process. The following summarizes these communications.

The Auditor's Responsibility under Professional Standards

Our responsibility under auditing standards generally accepted in the United States of America and *Government Auditing Standards* issued by the Comptroller General of the United States has been described to you in our arrangement letter dated July 7, 2010.

Accounting Practices

- *Adoption of, or Change in, Accounting Policies:* Management has the ultimate responsibility for the appropriateness of the accounting policies used by the entity. The entity did not adopt any significant new accounting policies nor have there been any changes in existing significant accounting policies during the current period.
- *Significant or Unusual Transactions:* We did not identify any significant or unusual transactions or significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.
- *Alternative Treatments Discussed with Management:* We did not discuss with management any alternative treatments within accounting principles generally accepted in the United States of America for accounting policies and practices related to material items during the current audit period.

Management's Judgments and Accounting Estimates

Accounting estimates are an integral part of the preparation of financial statements and are based upon management's current judgment. The process used by management encompasses their knowledge and experience about past and current events and certain assumptions about future events. There were no areas where it was necessary for management to form significant accounting estimates in connection with the preparation of the financial statements.

Audit Adjustments

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

Uncorrected Misstatements

There were no uncorrected misstatements to the original trial balance presented to us to begin our audit.

Disagreements with Management

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

Consultation with Other Accountants

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

Significant Issues Discussed with Management

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

Difficulties Encountered in Performing the Audit

We did not encounter any difficulties in dealing with management during the audit.

Certain Written Communications between Management and Our Firm

A copy of the audit representation letter between our firm and the management of the entity is attached to this letter.

This report is intended solely for the information and use of the Management Council and management and is not intended to be and should not be used by anyone other than these specified parties. It will be our pleasure to respond to any questions you have regarding this report. We appreciate the opportunity to continue to be of service to Wyoming Legislative Service Office.

McGee, Heurne & Paiz, LLP

Cheyenne, Wyoming

December 6, 2010

December 6, 2010

McGee, Hearne & Paiz, LLP
P.O. Box 1088
Cheyenne, Wyoming 82003

In connection with your audit of the statement of cash receipts and cash disbursements of the Wyoming Legislative Service Office, State of Wyoming (LSO) for the two years ended June 30, 2010, we confirm that we are responsible for the fair presentation in the statement of cash receipts and cash disbursements, in conformity with the LSO's accounting policies and those policies were consistently applied.

We confirm, to the best of our knowledge and belief as of December 6, 2010, the following representations made to you during your audit:

1. The basic financial statements referred to above are fairly presented in conformity with the cash basis of accounting as described in Note 1 to the financial statements.
2. We have identified to you that the LSO is an agency within the State of Wyoming Government.
3. We have identified for you all of our funds and accounting groups included in the reporting entity.
4. We have properly classified all funds and activities.
5. We are responsible for compliance with laws and regulations applicable to the LSO, including adopting, approving, and amending budgets.
6. We have identified and disclosed to you all laws and regulations that have a direct and material effect on the determination of financial statement amounts including legal and contractual provisions for reporting specific activities.
7. We have made available to you:
 - a. All financial records and related data of all funds and activities, including those of all special funds, programs, department, projects, activities, etc., in existence at any time during the period covered by your audit.
 - b. All minutes of the meetings of the governing boards and committees of board members or summaries of actions of recent meetings for which minutes have not yet been prepared.

- c. All communications from funding sources concerning noncompliance with:
 - i. Statutory, regulatory or contractual provisions or requirements.
 - ii. Financial reporting practices that could have a material effect on the financial statements.
8. We have no knowledge of fraud or suspected fraud affecting the entity involving:
 - a. Management or employees who have significant roles in the internal control.
 - b. Others where the fraud could have a material effect on the basic financial statements.
9. We acknowledge our responsibility for the design and implementation of programs and controls to provide reasonable assurance that fraud is prevented and detected.
10. We have no knowledge of any allegations of fraud or suspected fraud affecting the LSO received in communications from employees, former employees, analysts, regulators, short sellers, or others.
11. We are aware of no significant deficiencies, including material weaknesses, in the design or operation of internal controls that could adversely affect the entity's ability to record, process, summarize and report financial data.
12. The nature of the relationship between the LSO and the State of Wyoming Government have been properly recorded and/or disclosed in the basic financial statements.
13. There are no:
 - a. Leases and amounts of rental obligations under long-term leases.
 - b. Material transactions that have not been properly recorded in the accounting records underlying the basic financial statements.
 - c. Violations or possible violations of laws or regulations whose effects should be considered for disclosure in the basic financial statements or as a basis for recording a loss contingency.
 - d. Other material liabilities or gain or loss contingencies that are required to be disclosed by Statement of Financial Accounting Standards No. 5 and/or GASB Statement No. 10.
 - e. Related party loans, leases, or guarantees.
 - f. Concentrations of credit risk.
 - g. Guarantees, whether written or oral, under which the LSO is contingently liable.
 - h. Arrangements with financial institutions involving compensating balances or other arrangements involving restrictions on cash balances and line of credit or similar arrangements.
 - i. Lines of credit or similar arrangements.
 - j. Security agreements in effect under the Uniform Commercial Code.

- k. Liens or encumbrances on assets or revenues or any assets or revenues which were pledged as collateral for any liability or which were subordinated in any way.
 - l. Risk financing activities.
 - m. Material losses to be sustained in the fulfillment of, or from the inability to fulfill, any service commitments.
 - n. Agreements to repurchase assets previously sold.
 - o. Amounts of contractual obligations for construction and/or purchase of real property, equipment, other assets and intangibles.
 - p. Investments in debt and equity securities.
 - q. Liabilities that are subordinated to any other actual or possible liabilities of the LSO.
 - r. Derivative financial instruments.
 - s. All material concentrations known to management that are required to be disclosed in accordance with the AICPA's Statement of Position No. 94-6, *Disclosure of Certain Significant Risks and Uncertainties*. Concentrations refer to volumes of business, revenues, available sources of supply, or markets for which events could occur that would significantly disrupt normal finances within the next year.
14. We are not aware of any pending or threatened litigation, claims or assessments that are required to be accrued or disclosed in the basic financial statements in accordance with Statement of Financial Accounting Standards No. 5 and/or GASB Statement No. 10 and we have not consulted a lawyer concerning litigation claims or assessments.
15. We have no direct or indirect, legal or moral, obligation for any debt of any organization, public or private, that is not disclosed in the basic financial statements.
16. We have complied with all aspects of contractual agreements that would have a material effect on the basic financial statements in the event of noncompliance.
17. LSO has title to all assets owned.

In connection with your audit, conducted in accordance with *Government Auditing Standards*, we confirm:

18. We are responsible for:
- a. Compliance with the laws, regulations, and provisions of contracts and grant agreements applicable to the LSO.
 - b. Establishing and maintaining effective internal control over financial reporting.

19. We have identified and disclosed to you:

- a. All laws, regulations, and provisions of contracts and grant agreements that have a direct and material effect on the determinations of financial statement amounts or other financial data significant to audit objectives.
- b. That there are no violations (and possible violations) of laws, regulations, and provisions of contracts and grant agreements whose effects should be considered for disclosure in the auditor's report on noncompliance.

20. There has been no fraud, illegal acts, violations of provisions of contracts or grant agreements, or abuse that has been reported.

21. We have a process to track the status of control deficiencies and recommendations.

22. We have reviewed, approved, and take full responsibility for the financial statements and related notes and acknowledge the auditor's role in the preparation of this information.

No events or transactions have occurred subsequent to the balance sheet date that would require adjustment to, or disclosure in, the basic financial statements.

During the course of your audit, you may have accumulated records containing data, which should be reflected in our books and records. All such data have been so reflected. Accordingly copies of such records in your possession are no longer needed by us.

WYOMING LEGISLATIVE SERVICE OFFICE

Dan Pauli, Director

Kathy Barrett, Chief Financial Officer

**WYOMING LEGISLATIVE SERVICE OFFICE
STATE OF WYOMING**

STATEMENT OF CASH RECEIPTS AND CASH DISBURSEMENTS

**BIENNIUM ENDED
JUNE 30, 2010**

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INDEPENDENT AUDITOR'S REPORT

To the Management Council of the Wyoming Legislative Service Office
State of Wyoming
Cheyenne, Wyoming

We have audited the accompanying statement of cash receipts and cash disbursements of the Wyoming Legislative Service Office, State of Wyoming for the two years ended June 30, 2010, as listed in the table of contents. This financial statement is the responsibility of the Management Council of the Wyoming Legislative Service Office, State of Wyoming. 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 of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes 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 Wyoming Legislative Service Office'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 statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As described in Note 1, the Wyoming Legislative Service Office's accounting records are maintained on a modified cash basis of accounting and demonstrates compliance with the budgetary laws of the State of Wyoming, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. The financial statements of the Wyoming Legislative Service Office, State of Wyoming are intended to present the modified cash receipts and disbursements of only that portion of the funds of the Wyoming Legislative Service Office that are attributable to the transactions of the Wyoming Legislative Service Office, State of Wyoming. The statement does not purport to, and does not, present fairly the financial position of the State of Wyoming as of June 30, 2010, the changes in its financial position, or, where applicable, its cash flows for the two years then ended in conformity with accounting principles generally accepted in the United States of America.

In our opinion, the financial statement referred to above presents fairly, in all material respects, the Wyoming Legislative Service Office, State of Wyoming's modified cash receipts and cash disbursements for the two years ended June 30, 2010, on the basis of accounting described in Note 1.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 6, 2010 on our consideration of the Wyoming Legislative Service Office, State of Wyoming's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of the audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Our audit was conducted for the purpose of forming an opinion on the Wyoming Legislative Service Office, State of Wyoming's statement of cash receipts and cash disbursements. The accompanying supplementary information is presented for purpose of additional analysis and is not a required part of the basic financial statements. These schedules have been subjected to the audit procedures applied in the audit of the financial statement and, in our opinion, are fairly stated in all material respects in relation to the financial statement taken as a whole.

This report is intended solely for the information and use of the Wyoming Legislative Service Office, members of the Management Council, and management and is not intended to be, and should not be, used by anyone other than these specified parties.

McGee, Hearne & Paiz, LLP

Cheyenne, Wyoming
December 6, 2010

**WYOMING LEGISLATIVE SERVICE OFFICE
STATE OF WYOMING**

**STATEMENT OF CASH RECEIPTS AND CASH DISBURSEMENTS
Two Years Ended June 30, 2010**

Cash Receipts - appropriations	<u>\$ 14,321,251</u>
Cash Disbursements	
Salaries	7,990,904
Employee benefits	1,977,943
Travel in-state	1,514,258
Travel out-of-state	193,280
Dues	359,097
Registrations	54,494
Communications	187,300
General administrative support	677,367
Publications - Digest, Session Laws, Statutes	44,903
Contract services	144,699
Special projects	77,782
Laptop computers	145,871
PDA	2,562
Legislator Elect Compensation and Per Diem Supplement	13,564
Artwork/Facilities - 2006 Budget Appropriation	29,130
Facilities, Artwork and Consulting - 2007 General Session	237,007
Select Committee - Local Government Financing - 2007 General Session	14,467
Artwork/Facilities - 2008 Budget Appropriation	83,811
Select Mental Health Substance-Abuse Committee - 2008 Appropriation	20,052
Wyoming Court Security Act	485
Drug Court Steering Committee	2,058
Community College Task Force	76,366
Wyoming Resource Allocation Study	48,750
Constituent Service Allowance	327,190
Western States Energy Symposium	11,475
Task Force on Wind Energy - 2009 General Session	12,761
Select Committee - Developmental Programs - 2010 Budget Appropriation effective immediately	7,220
School Finance Recalibration - 2010 Budget Appropriation effective immediately	66,455
	<u>14,321,251</u>
Cash disbursements over cash receipts	<u><u>\$ -</u></u>

See Notes to Financial Statement.

**WYOMING LEGISLATIVE SERVICE OFFICE
STATE OF WYOMING**

NOTES TO FINANCIAL STATEMENT

Note 1. Nature of Operations and Summary of Significant Accounting Policies

Nature of operations: The Wyoming Legislative Service Office, State of Wyoming (LSO) was created by an Act of the Forty-First Legislature, Chapter 113, Sessions Laws of Wyoming 1971. It commenced operations on March 1, 1971. The Office provides research and bill drafting services for Legislative standing or interim committees and for individual legislators, including pre-filing and distribution of proposed legislation prior to legislative sessions; revision and recompilation of the laws of Wyoming; and accounting for all Legislative expenditures. Office staff prepares administrative rule reviews and reports for the Management Council, conduct program evaluations of executive agencies under the direction of the Management Audit Committee; and conduct fiscal studies and budget analyses for the Joint Appropriations Committee and other Legislative Committees.

Policies, rules and regulations governing the general operations of the LSO and its relationship to legislative standing committees and individual legislators are made by a Management Council composed of 13 legislators – six members from each House and one member elected at large. The Director is employed by and subject to the direction of the Management Council. Other employees are employed by the Director with the approval of the Management Council.

Basis of accounting: All elements of revenues and expenditures are accounted for by the central accounting office of the State of Wyoming on the budget basis utilized by the State. The budget basis is a cash receipts and disbursements basis, a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America, with disbursements adjusted for the “thirteenth period” which includes disbursements made in July that pertain to the period ended June 30th. State appropriation revenues are recognized when funds are expended by the Wyoming State Auditor’s Office.

Description of funds: The accounts of the LSO are organized on the basis of funds, each of which is considered to be a separate accounting entity. The operations of each fund are accounted for by providing a separate set of accounts which comprises its revenues and expenditures. The funds used by the LSO are as follows:

- Fund 001 – General Fund
- Fund 009 – School Foundation Program
- Fund 489 – LSO Laptop Computers
- Fund 549 – Constituent Service Allowance

Budget: Formal budgetary accounting is employed as a management control of the LSO. Appropriations of State funds that are unobligated at the end of the biennium cannot be carried over to future periods.

The budget of the LSO, known as the feed bill, is introduced in whole or in part in the House of Representatives or the Senate, or both, within five (5) days after the budget session convenes. When a feed bill has passed the house of origin, the bill shall be referred to the standing appropriations committee of the opposite house which shall meet, consider and recommend adoption or modification.

**WYOMING LEGISLATIVE SERVICE OFFICE
STATE OF WYOMING**

NOTES TO FINANCIAL STATEMENT

Note 2. Retirement Plan

The LSO participates in the Wyoming Retirement System (the "System"), a statewide cost sharing, multiple-employer, public employee retirement system administered by the State of Wyoming Retirement System Board. Substantially all LSO full-time employees are eligible to participate. The System provides retirement, disability and death benefits according to predetermined formulas. Benefits are established by Title 9, Chapter 3 of the Wyoming Statutes. The System issues a publicly available financial report which includes audited financial statements and required supplementary information for the System. The report may be obtained by writing to the Wyoming Retirement System, 6101 Yellowstone Road, Suite 500, Cheyenne, Wyoming 82002. Plan members are required to contribute 5.68% of the annual covered payroll. Legislation enacted in 1979 allows the employer to pay any or all of the employees' contribution in addition to the matching contribution. The LSO currently pays 100% of the required employee's contribution. Contribution rates are established by Title 9, Chapter 3 of the Wyoming Statutes. The Office contributions to the System for the two years ended each June 30, 2010, 2008 and 2006 were \$582,109, \$511,921 and \$445,605, respectively.

Note 3. Compensated Absences

Employees earn vacation leave based on their number of years of service, and sick leave of one day per month. Employees are vested and allowed to accumulate up to 360 hours of vacation leave. In addition, employees are paid for one half of accumulated sick leave upon termination of employment with a maximum payment for one half (½) of 960 hours. At June 30, 2010 the liability for compensated absences and the related payroll tax liability was \$614,369. This amount is not reflected in the accompanying cash basis financial statements as it is a liability under the accrual basis of accounting.

Note 4. Risk Management

The nature of the LSO's operations makes it susceptible to lawsuits, legal actions, and other judgments. The LSO mitigates its risk of material loss from these situations through participation in the State of Wyoming self-insurance program. Wyoming Statute § 1-41-103 created the State self-insurance fund to handle liability insurance claims brought against the State. The range of losses financed includes general liability, automobile liability, police liability, medical malpractice liability and civil rights.

The State generally does not maintain reserves; losses are covered by a combination of appropriations from the State's general fund in the year in which the payment occurs and by assessing State agencies a pro rata share of anticipated claim expenditures for the fiscal year. The Department of Administration and Information estimates a liability for claims against the State as a whole including incurred but not reported claims (IBNR's), but does not make the estimate for each individual department of the State including the LSO. No liabilities for these claims are reflected in the financial statements of the LSO. Management believes that any claims that may exist would be immaterial to the LSO. The LSO had no significant changes in insurance coverage from the prior biennium nor were there any settlements in excess of insurance coverage for the previous three years.

**WYOMING LEGISLATIVE SERVICE OFFICE
STATE OF WYOMING**

NOTES TO FINANCIAL STATEMENT

Note 5. Special Activities and Projects

The budget and actual balances for Artwork/Facilities – 2006 Budget Appropriation and Facilities; Artwork and Consulting – 2007 General Session; and Artwork Facilities – 2008 Budget Appropriation consist of the following:

	<u>Budget</u>		<u>Actual</u>
Artwork/Facilities - 2006 Budget Appropriation:			
Furnishings - Rooms 204 and 302	\$ 28,728	\$	28,728
Facilities, Artwork and Consulting - 2007 General Session:			
New Furnishings / Room 302	\$ 30,000	\$	30,000
Recarpeting / Room 302	10,000		5,678
Sound System / Senate, House, Room 302	138,591		138,257
Lighting and Skylight Renovation / House and Senate	38,086		24,414
Committee Room and Leadership Office Furnishings	25,941		25,941
Development of Public Information Resources	10,000		6,802
	<u>\$ 252,618</u>	\$	<u>231,092</u>
Artwork/Facilities - 2008 Budget Appropriation:			
Leadership Office Furnishings	\$ 42,000	\$	7,646
Committee Secretary Desks	50,000		32,614
Room 302 - Additional Remodeling Costs	25,000		25,000
Architectural and Interior Design Consulting	20,000		11,940
Miscellaneous Furnishings and Projects	15,000		6,611
	<u>\$ 152,000</u>	\$	<u>83,811</u>

Note 6. Projects Appropriated Not Yet Started

Projects Appropriated Not Yet Started:

Committee Room Hearing Tables and Furnishings	\$ 25,000
Miscellaneous Furnishings and Projects	15,000
	<u>\$ 40,000</u>

**WYOMING LEGISLATIVE SERVICE OFFICE
STATE OF WYOMING**

NOTES TO FINANCIAL STATEMENT

Note 7. Operating Leases

The LSO has entered into two copier leases. Both leases are for 60 months with no interest. The first lease expires during the year ending June 30, 2011 and requires monthly lease payments of \$644. The second lease expires during the year ending June 30, 2015 and requires monthly lease payments of \$2,034. Combined monthly payments under these leases are \$2,678.

<u>Year Ended June 30,</u>	
2011	\$ 30,514
2012	24,070
2013	24,070
2014	24,070
2015	10,170
	<hr/>
	\$ 112,894
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**WYOMING LEGISLATIVE SERVICE OFFICE
STATE OF WYOMING**

**SCHEDULE OF CASH RECEIPTS AND CASH DISBURSEMENTS
BUDGET TO ACTUAL**

Two Years Ended June 30, 2010

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget (Positive) Negative
Cash Receipts - appropriations	\$ 17,945,114	\$ 19,856,628	\$ 14,187,065	\$ (5,669,563)
Cash Disbursements				
Salaries	\$ 9,452,954	\$ 9,321,661	\$ 7,990,904	\$ (1,330,757)
Employee benefits	2,500,104	2,618,279	1,977,943	(640,336)
Travel in-state	1,771,875	1,862,632	1,514,258	(348,374)
Aircraft travel	25,000	25,000	-	(25,000)
Travel out-of-state	324,000	324,000	193,280	(130,720)
Dues	438,689	438,689	359,097	(79,592)
Registrations	91,100	91,100	52,598	(38,502)
Communications	205,000	205,000	187,300	(17,700)
General administrative support	708,780	727,780	672,344	(55,436)
Publications - Digest, Session Laws, Statutes	431,000	431,000	44,903	(386,097)
Contract services	212,000	196,000	144,699	(51,301)
Special projects	10,000	10,000	5,582	(4,418)
Laptop computers	150,000	285,000	145,871	(139,129)
PDA	20,000	20,000	2,562	(17,438)
Legislator Elect Compensation and Per Diem Supplement	359,688	279,049	13,564	(265,485)
Artwork/Facilities - 2006 Budget Appropriation	28,728	28,728	28,728	-
Facilities, Artwork and Consulting - 2007 General Session	245,254	252,618	231,092	(21,526)
Select Committee - Local Government Financing - 2007 General Session	36,888	36,888	14,467	(22,421)
Professional Services - Local Government Financing	150,000	150,000	-	(150,000)
Artwork/Facilities - 2008 Budget Appropriation	242,000	152,000	83,811	(68,189)
Select Mental Health Substance-Abuse Committee - 2008 Appropriation	60,000	60,000	20,052	(39,948)
Wyoming Court Security Act	4,600	4,600	485	(4,115)
Legislative and Executive Task Force - Capitol Building	50,000	50,000	-	(50,000)
Drug Court Steering Committee	5,780	5,780	2,058	(3,722)
Community College Task Force	123,054	123,054	76,366	(46,688)
LSO Laptop Computers	16,667	16,667	-	(16,667)
Constituent Service Allowance	281,953	364,103	327,190	(36,913)
Clean Coal Task Force	-	7,500	-	(7,500)
Western States Energy Symposium	-	100,000	11,475	(88,525)
Select Committee - Local Government Financing - 2009 General Session	-	20,000	-	(20,000)
Task Force on Wind Energy - 2009 General Session	-	10,500	10,500	-
Task Force on Wind Energy - 2010 Budget Appropriation effective immediately	-	20,000	2,261	(17,739)
Select Committee - Developmental Programs - 2010 Budget Appropriation effective immediately	-	29,000	7,220	(21,780)
Artwork Facilities - 2010 Budget Appropriation effective immediately	-	40,000	-	(40,000)
School Finance Recalibration - 2010 Budget Appropriation effective immediately	-	1,550,000	66,455	(1,483,545)
	<u>\$ 17,945,114</u>	<u>\$ 19,856,628</u>	<u>\$ 14,187,065</u>	<u>\$ (5,669,563)</u>

**WYOMING LEGISLATIVE SERVICE OFFICE
STATE OF WYOMING**

**SCHEDULE OF CASH RECEIPTS AND CASH DISBURSEMENTS
BUDGET TO ACTUAL - BY FUND CATEGORY**

Two Years Ended June 30, 2010

	Budgeted Amounts		Actual	Variance
	Original	Final		
Revenues - appropriations	\$ 17,945,114	\$ 19,856,628	\$ 14,187,065	\$ (5,669,563)
Cash Disbursements:				
Fund 001 - General Fund	\$ 17,646,494	\$ 17,974,608	\$ 13,842,170	\$ (4,132,438)
Fund 009 - Foundation Program	-	1,501,250	17,705	(1,483,545)
Fund 489 - LSO Laptop Computers	16,667	16,667	-	(16,667)
Fund 549 - Constituent Service Allowance	281,953	364,103	327,190	(36,913)
	\$ 17,945,114	\$ 19,856,628	\$ 14,187,065	\$ (5,669,563)

Reconciliation from the Budgetary Basis of Accounting to the Cash Receipts and Cash Disbursements Basis:

Budgetary Basis	\$ 14,187,065
Expenditures from previous biennium budgets	<u>134,186</u>
Cash Receipts and Cash Disbursements Basis	<u>\$ 14,321,251</u>

**WYOMING LEGISLATIVE SERVICE OFFICE
STATE OF WYOMING**

**SCHEDULE OF FUNCTIONAL ANALYSIS - CASH BASIS
Two Years Ended June 30, 2010**

	Legislative Service Office	Special Activities	Select and Interim Committees
Salaries			
Permanent and temporary	\$ 5,273,432	\$ -	\$ -
Legislators - session	-	-	-
Legislators - interim	-	26,019	898,613
Session staff	-	-	-
	<u>5,273,432</u>	<u>26,019</u>	<u>898,613</u>
Employee Benefits	<u>1,803,438</u>	<u>2,157</u>	<u>20,521</u>
Travel In-State			
Mileage	21,654	17,002	177,378
Per diem	40,519	40,340	257,650
	<u>62,173</u>	<u>57,342</u>	<u>435,028</u>
Aircraft Travel	<u>-</u>	<u>-</u>	<u>-</u>
Travel Out-of-State			
Common carrier	13,454	72,900	-
Per diem	20,359	81,367	-
	<u>33,813</u>	<u>154,267</u>	<u>-</u>
Dues			
National Conference of State Legislators	-	-	215,689
The Energy Council	-	-	64,000
Council of State Governments	-	-	79,408
	<u>-</u>	<u>-</u>	<u>359,097</u>
Registrations	<u>20,298</u>	<u>32,376</u>	<u>-</u>
Communications			
Telecommunications	143,683	-	-
Postage	43,617	-	-
	<u>187,300</u>	<u>-</u>	<u>-</u>
General Administrative Support	<u>677,367</u>	<u>-</u>	<u>-</u>
Publications - Digest, Session Laws, Statutes	-	-	-
Contract Services	143,860	839	-
Special Projects	77,782	-	-
Laptop Computers	145,871	-	-

General Session	Legislative Interim	Budget Sessions	Budget Hearings	Projects and Other	Total
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,273,432
702,312	-	343,509	-	-	1,045,821
-	-	-	40,950	-	965,582
345,506	155,458	195,711	9,394	-	706,069
1,047,818	155,458	539,220	50,344	-	7,990,904
87,999	14,648	45,098	4,082	-	1,977,943
74,793	-	35,076	6,674	-	332,577
541,419	-	266,764	34,989	-	1,181,681
616,212	-	301,840	41,663	-	1,514,258
-	-	-	-	-	-
-	1,488	-	-	-	87,842
-	3,712	-	-	-	105,438
-	5,200	-	-	-	193,280
-	-	-	-	-	215,689
-	-	-	-	-	64,000
-	-	-	-	-	79,408
-	-	-	-	-	359,097
-	1,820	-	-	-	54,494
-	-	-	-	-	143,683
-	-	-	-	-	43,617
-	-	-	-	-	187,300
-	-	-	-	-	677,367
41,525	-	3,378	-	-	44,903
-	-	-	-	-	144,699
-	-	-	-	-	77,782
-	-	-	-	-	145,871

(Continued)

**WYOMING LEGISLATIVE SERVICE OFFICE
STATE OF WYOMING**

**SCHEDULE OF FUNCTIONAL ANALYSIS - CASH BASIS (CONTINUED)
Two Years Ended June 30, 2010**

	Legislative Service Office	Special Activities	Select and Interim Committees
Special Appropriations			
PDA	\$ -	\$ -	\$ -
Legislator Elect Compensation and Per Diem Supplement	-	-	-
Artwork/Facilities - 2006 Budget Appropriation	-	-	-
Facilities, Artwork and Consulting - 2007 General Session	-	-	-
Select Committee - Local Government Financing - 2007 General Session	-	-	-
Professional Services - Local Government Financing	-	-	-
Artwork/Facilities - 2008 Budget Appropriation	-	-	-
Select Mental Health Substance-Abuse Committee - 2008 Appropriation	-	-	-
Wyoming Court Security Act	-	-	-
Legislative and Executive Task Force - Capitol Building	-	-	-
Drug Court Steering Committee	-	-	-
Community College Task Force	-	-	-
Wyoming Resource Allocation Study	-	-	-
LSO Laptop Computers	-	-	-
Constituent Service Allowance	-	-	-
Clean Coal Task Force	-	-	-
Western States Energy Symposium	-	-	-
Select Committee - Local Government Financing - 2009 General Session	-	-	-
Task Force on Wind Energy - 2009 General Session	-	-	-
Task Force on Wind Energy - 2010 Budget Appropriation effective immediately	-	-	-
Select Committee - Developmental Programs - 2010 Budget Appropriation effective immediately	-	-	-
Artwork Facilities - 2010 Budget Appropriation effective immediately	-	-	-
School Finance Recalibration - 2010 Budget Appropriation effective immediately	-	-	-
	-	-	-
	-	-	-
	<u>\$ 8,425,334</u>	<u>\$ 273,000</u>	<u>\$ 1,713,259</u>

General Session	Legislative Interim	Budget Sessions	Budget Hearings	Projects and Other	Total
\$ -	\$ -	\$ -	\$ -	\$ 2,562	\$ 2,562
-	-	-	-	13,564	13,564
-	-	-	-	29,130	29,130
-	-	-	-	237,007	237,007
-	-	-	-	14,467	14,467
-	-	-	-	-	-
-	-	-	-	83,811	83,811
-	-	-	-	20,052	20,052
-	-	-	-	485	485
-	-	-	-	-	-
-	-	-	-	2,058	2,058
-	-	-	-	76,366	76,366
-	-	-	-	48,750	48,750
-	-	-	-	-	-
-	-	-	-	327,190	327,190
-	-	-	-	-	-
-	-	-	-	11,475	11,475
-	-	-	-	-	-
-	-	-	-	12,761	12,761
-	-	-	-	-	-
-	-	-	-	7,220	7,220
-	-	-	-	-	-
-	-	-	-	66,455	66,455
-	-	-	-	953,353	953,353
<u>\$ 1,793,554</u>	<u>\$ 177,126</u>	<u>\$ 889,536</u>	<u>\$ 96,089</u>	<u>\$ 953,353</u>	<u>\$ 14,321,251</u>

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL
OVER FINANCIAL REPORTING AND ON COMPLIANCE AND
OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL
STATEMENTS PERFORMED IN ACCORDANCE
WITH *GOVERNMENT AUDITING STANDARDS***

To the Management Council of the Wyoming Legislative Service Office
State of Wyoming
Cheyenne, Wyoming

We have audited the statement of cash receipts and cash disbursements of the Wyoming Legislative Service Office, State of Wyoming, which was prepared on the cash basis of accounting, for the two years ended June 30, 2010, and have issued our report thereon dated December 6, 2010. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control over Financial Reporting

In planning and performing our audit, we considered the Wyoming Legislative Service Office, State of Wyoming's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Wyoming Legislative Service Office, State of Wyoming's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Wyoming Legislative Service Office, State of Wyoming's internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Wyoming Legislative Service Office, State of Wyoming's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of the Management Council and others within the entity and is not intended to be and should not be used by anyone other than those specified parties.

Mc Gee, Hearne & Paig, LLP

Cheyenne, Wyoming
December 6, 2010