

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 disbursements of Wyoming Legislative Service Office (the "LSO"), State of Wyoming for the two years ended June 30, 2014. This report summarizes certain matters required by professional standards to be communicated to you in your oversight responsibility for LSO's financial reporting process.

Auditing standards generally accepted in the United States of America (AU-C 260, *The Auditor's Communication with Those Charged with Governance*) require the auditor to promote effective two-way communication between the auditor and those charged with governance. Consistent with this requirement, the following summarizes our responsibilities regarding the financial statement audit as well as observations arising from our audit that are significant and relevant to your responsibility to oversee the financial reporting process.

Our Responsibilities with Regard to the Financial Statement Audit

Our responsibilities under auditing standards generally accepted in the United States of America have been described to you in our arrangement letter dated September 30, 2014.

Overview of the Planned Scope and Timing of the Financial Statement Audit

We have issued a separate communication regarding the planned scope and timing of our audit and have discussed with you our identification of and planned audit response to significant risks of material misstatement.

Accounting Policies and Practices

- *Basis of presentation:* For reporting purposes, the LSO prepares its financial statement on the cash basis of accounting as described in Note 1 to the financial statement (hereafter "cash basis of accounting"), which is a basis of accounting other than accounting principles generally accepted in the United States of America. Accordingly, the financial statement is not intended to be a presentation in conformity with accounting principles generally accepted in the United States of America.
- *Preferability of Accounting Policies and Practices:* There were no circumstances that required management to select amongst alternative accounting practices.
- *Adoption of, or Change in, Accounting Policies:* Management has the ultimate responsibility for the appropriateness of the accounting policies used by the LSO. The LSO 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.

Audit Adjustments

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

Uncorrected Misstatements

We are not aware of any uncorrected misstatements other than misstatements that are clearly trivial.

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 statement.

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 with or were the subject of correspondence with management.

Significant Difficulties Encountered in Performing the Audit

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

Significant Written Communications between Management and Our Firm

A copy of the audit representation letter between our firm and the management of the LSO 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 about this report. We appreciate the opportunity to continue to be of service to the Wyoming Legislative Service Office, State of Wyoming.

Mc Gee, Hearne & Paig, LLP

Cheyenne, Wyoming
December 1, 2014

**WYOMING LEGISLATIVE SERVICE OFFICE
STATE OF WYOMING**

STATEMENT OF CASH DISBURSEMENTS

**BIENNIUM ENDED
JUNE 30, 2014**

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INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statement

We have audited the accompanying statement of cash disbursements of the Wyoming Legislative Service Office (the "LSO"), State of Wyoming for the two years ended June 30, 2014, and the related notes to the financial statement, which collectively comprise the LSO's basic financial statement, as listed in the table of contents.

Management's Responsibility for the Financial Statement

Management is responsible for the preparation and fair presentation of the financial statement in accordance with the cash basis of accounting described in Note 1. This includes determining that the cash basis of accounting is an acceptable basis for the preparation of the financial statement in the circumstance. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of 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 the 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 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 LSO'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 LSO'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 Wyoming Legislative Service Office, State of Wyoming's cash disbursements for the two years ended June 30, 2014, in conformity with the basis of accounting described in Note 1.

Emphasis of a Matter

As discussed in Note 1, the LSO statement of cash disbursements is intended to present only the cash disbursements attributable to the Legislative Service Office of the State of Wyoming. It does not purport to, and does not, present the financial position or the changes in financial position of the State of Wyoming as of or for the two years ended June 30, 2014 in conformity with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Basis of Accounting

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

Other Matters

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statement. The supplementary information is presented for purposes of additional analysis and is not a required part of the basic financial statement.

The supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statement. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statement or to the basic financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the basic financial statement as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 26, 2014 on our consideration of LSO's internal control over financial reporting and on 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering LSO's internal control over financial reporting and compliance.

Restriction on Use

This report is intended solely for the information and use of LSO, 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, Heurne & Paiz, LLP

Cheyenne, Wyoming
November 26, 2014

**WYOMING LEGISLATIVE SERVICE OFFICE
STATE OF WYOMING**

**STATEMENT OF CASH DISBURSEMENTS
Two Years Ended June 30, 2014**

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Cash Disbursements	
Salaries	\$ 8,876,140
Employee benefits	2,287,221
LSO retention incentive	27,579
Travel in-state	1,618,790
Travel out-of-state	252,432
Dues	481,675
Registrations	62,358
Telecommunications	92,930
General administrative support	922,382
Publications - Digest, Session Laws, Statutes	49,298
Contract services	294,156
Artwork/Facilities - 2008 Budget Appropriation	4,556
Budget Session - 2010 Appropriation:	
Legislative Redistricting	2,199
General Session - 2011 Appropriation:	
Technology Enhancement Projects	217,836
LSO Laptop Computers	14,228
School Finance Recalibration - 2012 Budget Appropriation	547,233
Budget Session - 2012 Appropriation:	
Energy Producing State Coalition	17,671
Nuclear Energy Production TF	5,074
Wyoming Health Insurance Exchange Steering Committee	11,924
Contractor Residency Program	2,608
Technology Enhancement Projects	640,000
New Legislator Compensation	35,732
Constituent Service Allowance	559,293
General Session - 2013 Appropriation:	
Capitol Rehabilitation and Restoration Tax Force	16,299
Select Federal Natural Resource Management Committee	14,310
Health Benefit Exchange Study and Select Committee	7,724
Transfer of Public Lands - Study	8,641
Budget Session - 2014 Appropriation - Effective Immediately:	
Technology Project	64,734
Joint TF on Department of Health Facilities	7,564
Wyoming Value Added Energy Industrial Plan	888
Sage Grouse Implementation Team	1,406
Digital Information Privacy TF	2,070
Advisory TF Capitol Building Rehabilitation and Restoration	3,254
Oversight Group Capitol Building Restoration with Governor	1,859
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Total cash disbursements	\$ 17,152,064
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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.

The office acts as an agency of the State of Wyoming. The 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 from the House of which the Chairman of the Management Council is not a member. 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 disbursements are accounted for by the central accounting office of the State of Wyoming on the cash basis, a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

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 cash disbursements. 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 District contributes to the Wyoming Retirement System (System), a statewide cost-sharing, multiple-employer public employee retirement system. 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 issued a publicly available financial report that includes audited financial statements and required supplementary information for the System. The report may be obtained by writing to: Wyoming Retirement System, 6101 Yellowstone Road, Suite 500, Cheyenne, WY 82002.

Through August 31, 2013, plan members were required to contribute 7.00% of their annual covered salary and the LSO was required to contribute 7.12% of the annual covered payroll. Effective September 1, 2013, plan members are required to contribute 7.50% of their annual covered salary and the LSO is required to contribute 7.12% 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. When the rate was 7.00% the employees were required to contribute 1.43% of their covered annual salary, when the rate increased to 7.50% the employees required portion increased to 1.68%. Contribution rates are established by Title 9, Chapter 3 of the Wyoming Statutes. The LSO's contributions to the System for the two years ended June 30, 2014, 2012 and 2010 were \$735,647, \$688,171 and \$582,109, respectively, which equaled their required contributions for each biennium.

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 carry forward up to 360 hours of vacation leave to the next calendar year. In addition, employees are paid for one half of accumulated sick leave upon termination of employment with a maximum carry forward to the next calendar year of one half (½) of 960 hours. At June 30, 2014 the liability for compensated absences and the related payroll tax liability was \$687,792. This amount is not reflected in the accompanying cash basis financial statement as it is a liability under the accrual basis of accounting.

Note 4. Risk Management

The nature of the LSO's operations makes is 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 statement of the LSO. Management believes that any claims that may exist would be immaterial to the LSO.

**WYOMING LEGISLATIVE SERVICE OFFICE
STATE OF WYOMING**

NOTES TO FINANCIAL STATEMENT

Note 5. Budgetary Balance Carryforward

The following appropriations were budgeted in prior bienniums, which budgetary authority has been carried forward to be spent in future years:

	Original Appropriation	Disbursements Prior to July 1, 2013	Budget Authority Carried Forward from Prior Bienniums	Disbursements Made in Biennium Ended June 30, 2014	Remaining Budget Authority
2008 Budget Session Appropriations:					
Miscellaneous furnishings and projects	\$ 42,000	\$ 18,092	\$ 23,908	\$ 4,556	\$ 19,352
2011 General Session Appropriations:					
Technology Enhancements Projects	1,015,000	797,164	217,836	217,836	-
Medicaid Options Study	20,000	1,590	18,410	-	18,410
Medicaid Cost Study	20,000	1,670	18,330	-	18,330
2012 Budget Session Appropriations:					
Energy Producing States Coalition	50,500	50	50,450	17,671	32,779
Wyoming Health Insurance Exchange Steering Committee	25,000	1,035	23,965	11,924	12,041
Contractor Residency Program	20,000	3,578	16,422	2,608	13,814
	<u>\$ 1,192,500</u>	<u>\$ 823,179</u>	<u>\$ 369,321</u>	<u>\$ 254,595</u>	<u>\$ 114,726</u>

Note 6. Operating Leases

The LSO has entered into three copier leases. All leases are for 60 months. Two of the leases expire during the year ending June 30, 2015 and require monthly lease payments of \$633 and \$166, respectively. The third lease expires during the year ended June 30, 2017 and requires monthly lease payments of \$1,671. Combined monthly payment commitments under these leases are \$2,470.

<u>Year Ended June 30,</u>	
2015	\$ 25,841
2016	20,048
2017	20,048
	<u>\$ 65,937</u>

WYOMING LEGISLATIVE SERVICE OFFICE
STATE OF WYOMING

SCHEDULE OF CASH DISBURSEMENTS
BUDGET TO ACTUAL

Two Years Ended June 30, 2014

	Budget Amounts		Actual	Variance
	Original	Final		
Cash Disbursements				
Salaries	\$ 9,827,919	\$ 9,731,810	\$ 8,849,740	\$ (882,070)
Employee benefits	2,955,509	2,992,008	2,285,164	(706,844)
LSO retention incentives	31,000	31,000	27,579	(3,421)
Travel in-state	1,971,504	1,910,600	1,606,014	(304,586)
Travel out-of-state	309,400	309,400	244,277	(65,123)
Dues	483,152	493,752	481,675	(12,077)
Registrations	95,200	84,600	62,358	(22,242)
Telecommunications	180,800	180,800	92,570	(88,230)
General administrative support	997,340	1,301,796	919,008	(382,788)
Publications - Digest, Session Laws, Statutes	430,000	120,845	49,298	(71,547)
Contract services	156,180	335,393	294,156	(41,237)
Special projects	10,000	10,000	-	(10,000)
Artwork/Facilities - 2008 Budget Appropriation	23,098	23,098	4,556	(18,542)
General Session - 2011 Appropriation:				
Technology Enhancement Projects	217,836	217,836	217,836	-
Medicaid Options Study	18,410	18,410	-	(18,410)
Medicaid Cost Study	18,330	18,330	-	(18,330)
LSO Laptop Computers	27,493	27,493	14,228	(13,265)
School Finance Recalibration - 2012 Budget Appropriation	1,358,328	1,358,328	547,233	(811,095)
Artwork/Facilities - 2012 Budget Appropriation	20,000	20,000	-	(20,000)
Budget Session - 2012 Appropriation:				
Energy Producing State Coalition	50,450	50,450	17,671	(32,779)
Nuclear Energy Production TF	18,000	18,000	5,074	(12,926)
Wyoming Health Insurance Exchange Steering Committee	23,965	23,965	11,924	(12,041)
Contractor Residency Program	16,422	16,422	2,608	(13,814)
Technology Enhancement Projects	640,000	640,000	640,000	-
New Legislator Compensation	62,000	62,000	35,732	(26,268)
Constituent Service Allowance	579,274	579,274	559,293	(19,981)
General Session - 2013 Appropriation:				
Capitol Rehabilitation and Restoration Tax Force	15,000	15,000	16,299	1,299
Select Federal Natural Resource Management Committee	16,000	16,000	14,310	(1,690)
Health Benefit Exchange Study and Select Committee	37,600	37,600	7,724	(29,876)
Transfer of Public Lands - Study	18,000	18,000	8,641	(9,359)
Budget Session - 2014 Appropriation - Effective Immediately:				
Technology Project	775,000	775,000	64,734	(710,266)
Joint TF on Department of Health Facilities	25,000	25,000	7,564	(17,436)
Wyoming Value Added Energy Industrial Plan	20,000	20,000	888	(19,112)
Sage Grouse Implementation Team	10,000	10,000	1,406	(8,594)
Digital Information Privacy TF	20,000	20,000	2,070	(17,930)
Advisory TF Capitol Building Rehabilitation and Restoration	65,000	65,000	3,254	(61,746)
Oversight Group Capitol Building Restoration with Governor	30,000	30,000	1,859	(28,141)
Economic Development Travel	50,000	50,000	-	(50,000)
Technology Issues in Legislative Facilities	25,000	25,000	-	(25,000)
Governor's TF Wyoming Value Added Energy Industrial Plan	20,000	20,000	-	(20,000)
Special Contingency	250,000	250,000	-	(250,000)
	<u>\$ 21,898,210</u>	<u>\$ 21,952,210</u>	<u>\$ 17,096,743</u>	<u>\$ (4,855,467)</u>

**WYOMING LEGISLATIVE SERVICE OFFICE
STATE OF WYOMING**

**SCHEDULE OF CASH DISBURSEMENTS
BUDGET TO ACTUAL - BY FUND CATEGORY
Two Years Ended June 30, 2014**

	Budgeted Amounts		Actual	Variance
	Original	Final		
Cash Disbursements:				
Fund 001 - General Fund	\$ 19,933,115	\$ 19,987,115	\$ 15,975,990	\$ (4,011,125)
Fund 009 - Foundation Program	1,358,328	1,358,328	547,232	(811,096)
Fund 489 - LSO Laptop Computers	27,493	27,493	14,228	(13,265)
Fund 549 - Constituent Service Allowance	579,274	579,274	559,293	(19,981)
	<u>\$ 21,898,210</u>	<u>\$ 21,952,210</u>	<u>\$ 17,096,743</u>	<u>\$ (4,855,467)</u>

The budgetary basis of accounting utilized is the basis of cash receipts and disbursements.

Reconciliation from budgetary basis of accounting to the cash receipts and cash disbursements basis:

Budgetary base	\$ 17,096,743
Expenditures from previous biennium audits	<u>55,321</u>
Cash receipts and cash disbursements basis	<u>\$ 17,152,064</u>

**WYOMING LEGISLATIVE SERVICE OFFICE
STATE OF WYOMING**

**SCHEDULE OF FUNCTIONAL ANALYSIS - CASH BASIS
Two Years Ended June 30, 2014**

	Legislative Service Office	Special Activities	Select and Interim Committees
Salaries			
Permanent and temporary	\$ 5,863,095	\$ -	\$ -
Legislators - session	-	-	-
Legislators - interim	-	89,071	1,201,155
Session staff	-	-	-
	<u>5,863,095</u>	<u>89,071</u>	<u>1,201,155</u>
Employee Benefits	<u>2,041,437</u>	<u>7,297</u>	<u>93,157</u>
LSO Retention Incentive	<u>27,519</u>	<u>-</u>	<u>-</u>
Travel In-State			
Aircraft travel	-	3,223	-
Mileage	20,267	46,096	220,070
Per diem	32,006	64,865	275,052
	<u>52,273</u>	<u>114,184</u>	<u>495,122</u>
Travel Out-of-State			
Common carrier	13,829	97,552	-
Per diem	33,394	101,354	-
	<u>47,223</u>	<u>198,906</u>	<u>-</u>
Dues			
National Conference of State Legislators	-	-	229,202
The Energy Council	-	-	70,400
Council of State Governments	-	-	173,740
Miscellaneous	7,813	-	-
	<u>7,813</u>	<u>-</u>	<u>473,342</u>
Registrations	<u>13,973</u>	<u>47,085</u>	<u>-</u>
Communications			
Telecommunications	91,757	-	-
Tandberg maintenance room 302	1,173	-	-
	<u>92,930</u>	<u>-</u>	<u>-</u>
General Administrative Support	<u>922,382</u>	<u>-</u>	<u>-</u>
Publications - Digest, Session Laws, Statutes	<u>-</u>	<u>-</u>	<u>-</u>
Contract Services	<u>114,650</u>	<u>-</u>	<u>179,506</u>

General Session	Legislative Interim	Budget Sessions	Budget Hearings	Projects and Other	Total
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,863,095
686,706	-	337,200	-	-	1,023,906
-	-	-	53,850	-	1,344,076
322,769	141,623	168,074	12,657	-	645,123
1,009,475	141,623	505,274	66,507	-	8,876,200
85,046	12,015	42,591	5,678	-	2,287,221
-	-	-	-	-	27,519
-	-	-	-	-	3,223
86,038	-	42,388	8,009	-	422,868
517,484	-	258,548	44,744	-	1,192,699
603,522	-	300,936	52,753	-	1,618,790
-	1,929	-	-	-	113,310
-	4,374	-	-	-	139,122
-	6,303	-	-	-	252,432
-	-	-	-	-	229,202
-	-	-	-	-	70,400
-	-	-	-	-	173,740
-	520	-	-	-	8,333
-	520	-	-	-	481,675
-	1,300	-	-	-	62,358
-	-	-	-	-	91,757
-	-	-	-	-	1,173
-	-	-	-	-	92,930
-	-	-	-	-	922,382
24,619	-	24,679	-	-	49,298
-	-	-	-	-	294,156

(Continued)

**WYOMING LEGISLATIVE SERVICE OFFICE
STATE OF WYOMING**

**SCHEDULE OF FUNCTIONAL ANALYSIS - CASH BASIS (Continued)
Two Years Ended June 30, 2014**

	Legislative Service Office	Special Activities	Select and Interim Committees
Special Appropriations			
Artwork/Facilities - 2008 Budget Appropriation	\$ -	\$ -	\$ -
Budget Session - 2010 Budget Appropriation:			
Legislative Redistricting	-	-	-
General Session - 2011 Appropriation:			
Technology Enhancements Projects	-	-	-
School Finance Recalibration - 2012 Budget Appropriation	-	-	-
LSO Laptop Computers	-	-	-
Constituent Service Allowance	-	-	-
Budget Session - 2012 Appropriation:			
Energy Producing State Coalition	-	-	-
Wyoming Health Insurance Exchange Steering Committee	-	-	-
Contractor Residency Program	-	-	-
Nuclear Energy Production TF	-	-	-
New Legislator Compensation	-	-	-
Technology Enhancements Project	-	-	-
General Session - 2013 Appropriation:			
Capitol Rehabilitation and Restoration Task Force	-	-	-
Select Federal Natural Resource Management Committee	-	-	-
Health Benefit Exchange Study and Select Committee	-	-	-
Transfer of Public Lands - Study	-	-	-
Budget Session - 2014 Appropriation - Effective Immediately:			
Technology Project	-	-	-
Joint TF on Department of Health Facilities	-	-	-
WY Value Added Energy Industrial Plan	-	-	-
Sage Grouse Implementation Team	-	-	-
Digital Information Privacy TF	-	-	-
Advisory TF Capitol Building Rehabilitation and Restoration	-	-	-
Oversight Group Capitol Building Restoration with Governor	-	-	-
	-	-	-
	<u>\$ 9,183,295</u>	<u>\$ 456,543</u>	<u>\$ 2,442,282</u>

General Session	Legislative Interim	Budget Sessions	Budget Hearings	Projects and Other	Total
\$ -	\$ -	\$ -	\$ -	\$ 4,556	\$ 4,556
-	-	-	-	2,199	2,199
-	-	-	-	217,836	217,836
-	-	-	-	547,233	547,233
-	-	-	-	14,228	14,228
-	-	-	-	559,293	559,293
-	-	-	-	17,671	17,671
-	-	-	-	11,924	11,924
-	-	-	-	2,608	2,608
-	-	-	-	5,074	5,074
-	-	-	-	35,732	35,732
-	-	-	-	640,000	640,000
-	-	-	-	16,299	16,299
-	-	-	-	14,310	14,310
-	-	-	-	7,724	7,724
-	-	-	-	8,641	8,641
-	-	-	-	64,734	64,734
-	-	-	-	7,564	7,564
-	-	-	-	888	888
-	-	-	-	1,406	1,406
-	-	-	-	2,070	2,070
-	-	-	-	3,254	3,254
-	-	-	-	1,859	1,859
-	-	-	-	2,187,103	2,187,103
<u>\$ 1,722,662</u>	<u>\$ 161,761</u>	<u>\$ 873,480</u>	<u>\$ 124,938</u>	<u>\$ 2,187,103</u>	<u>\$ 17,152,064</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, in accordance with the 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, the statement of cash disbursements of the Wyoming Legislative Service Office, State of Wyoming, (LSO), for the two years ended June 30, 2014, and the related notes to the financial statement, which collectively comprise the LSO's basic financial statement, and have issued our report thereon dated November 26, 2014.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statement, we considered LSO's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statement, but not for the purpose of expressing an opinion on the effectiveness of LSO's internal control. Accordingly, we do not express an opinion on the effectiveness of LSO's internal control.

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 a 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. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether LSO's financial statement is free from 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*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of LSO's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering LSO's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Mc Gee, Hearne & Paig, LLP

Cheyenne, Wyoming
November 26, 2014