



**Legislative Department
State of Colorado**

Compliance Audit, Financial Statements, and
Report of Independent Certified Public
Accountants
For the Years Ended June 30, 2013 and 2012

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STATE OF COLORADO
 LEGISLATIVE DEPARTMENT
 YEARS ENDED JUNE 30, 2012 AND 2013

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STATE OF COLORADO
LEGISLATIVE DEPARTMENT
REPORT SUMMARY
YEARS ENDED JUNE 30, 2013 and 2012

Authority

The audit of the Legislative Department was conducted pursuant to Section 2-3-103, C.R.S., which authorizes the State Auditor to conduct audits of all institutions of the State of Colorado. A contract exists by and between the State of Colorado, through the State Auditor and the Legislative Audit Committee, and Anton Collins Mitchell LLP (“ACM” or the “Contract Auditors”), whereby the audits of the Legislative Department, State of Colorado (the “Department”) for the fiscal years ended June 30, 2013 and 2012 were performed by ACM.

Standards

The audits were conducted in accordance with auditing standards generally accepted in the United States of America, as promulgated by the American Institute of Certified Public Accountants in *Statements on Auditing Standards*, and the standards for financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Purpose and Scope

The primary purpose of the engagement was to conduct financial and compliance audits of the Department, as of and for the fiscal years ended June 30, 2013 and 2012, in accordance with standards described above. These standards require that the Contract Auditors plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, tests of the Department’s compliance with certain provisions of laws, regulations, and contracts were performed, noncompliance with which could have a direct and material effect on the determination of financial statement amounts.

Auditor’s Reports

An independent auditor’s report on the financial statements of the Department dated December 9, 2013, has been issued, which states that the financial statements present fairly, in all material respects, the financial position of the Department as of June 30, 2013 and 2012, and the changes in its financial position for the fiscal years then ended, in accordance with accounting principles generally accepted in the United States of America.

A report on internal control over financial reporting and compliance and other matters based on the audits of financial statements performed in accordance with *Government Auditing Standards* dated December 9, 2013, has also been issued, which states that the results of the Contract Auditors’ tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

Required Auditor Communications to the Legislative Audit Committee

The Contract Auditors are required to communicate to the Legislative Audit Committee certain matters related to the conduct of the audits and to ensure that the Legislative Audit Committee receives additional information regarding the scope and results of the audits that may assist the Legislative Audit Committee in overseeing the financial reporting and disclosure process for which management is responsible. These matters have been communicated to the Legislative Audit Committee in this report, and include, among other items, that no audit adjustments were required, and there were no difficulties encountered in performing the audits.

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LEGISLATIVE DEPARTMENT AGENCY DESCRIPTIONS

General Assembly

Colorado's State Legislature is called the General Assembly. The Colorado Constitution grants the lawmaking power and thus, the public policy-making power of the State, to the General Assembly. There are 100 elected members serving as the Legislature - 35 senators and 65 representatives. As one of the three branches of state government, the Legislature includes the elected officials of the Senate and the House of Representatives and support staff.

A candidate for the General Assembly must be at least 25 years old, a citizen of the United States, and a resident of the district he or she is seeking to represent for at least twelve months prior to the election. Amendment No. 5, approved by the voters at the 1990 general election, limited the terms of office of state senators to two consecutive four-year terms, and state representatives to four consecutive two-year terms, effective for terms beginning on or after January 1, 1991.

The Secretary of the Senate and the Chief Clerk of the House and their employees are responsible for the daily administration of each house including the preparation of daily calendars and journals, the preparation of floor amendments, the engrossing and enrolling procedures, the handling of messages to and from the Governor, communications between the two houses of the Legislature, and communications to the General Assembly from other state officers and departments; custody of documents and records of the two houses; and the maintenance of pay records for all personnel employed by the House and Senate.

Joint Budget Committee

The six-member Joint Budget Committee is the fiscal and budget review agency of the Colorado General Assembly. The Committee works year-round and has a full-time staff. The Committee studies the programs, management, operations, and fiscal needs of all state agencies. It reviews budget requests and holds hearings with agency managers. The Committee also reviews capital construction and controlled maintenance recommendations made by the Capital Development Committee.

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Each year, the Committee introduces supplemental appropriations bills and the general appropriations bill, also known as the "Long Bill." The Long Bill narrative explains the recommendations that the Committee included in the Bill.

After each session, the Committee writes the appropriations report. This report explains legislative intent and gives program guidance to state agencies related to the budget.

The committee members include the Chairman of the House and Senate Appropriations Committees plus one majority and one minority member from each of these committees. The Committee elects a chairman and a vice-chairman, one from the Senate and one from the House. The elected chairman serves during the first regular session of the General Assembly and as vice-chairman during the second session. The elected vice-chairman serves as chairman during the second session.

Legislative Council

The Legislative Council Committee is an eighteen-member body comprised of six members of the Senate appointed by the President, six members of the House appointed by the Speaker subject to the approval of their respective houses, and the six-member executive committee. The six-member Executive Committee of Legislative Council is comprised of the President of the Senate, the Speaker of the House of Representatives, and the majority and minority leaders of both houses.

The Legislative Council was created in 1953 to collect data, examine constitutional and statutory provisions and possible amendments, consider important issues of public policy, and prepare reports and other documents for presentation to the General Assembly.

The information-gathering function of the Legislative Council created a need for a continuing and permanent research staff to work for the General Assembly. To fulfill this function, the Legislative Committee employs a Director of Research who appoints professional, technical, clerical, and other employees necessary to perform the functions assigned. The responsibilities and functions of the staff may be grouped under six broad activities:

- Staffing interim and statutory committees
- Staffing committees of reference
- Responding to requests for research
- Preparing fiscal notes
- Providing revenue projections
- Performing other centralized support services, including information technology services

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Office of the State Auditor

The State Auditor is appointed by a majority vote of both houses of the General Assembly to serve for a term of five years. The State Auditor must be a certified public accountant licensed to practice in Colorado. The duties of the State Auditor are to conduct performance and financial audits of all state departments, institutions, and agencies of state government and to conduct special audits of any department, institution, or agency at the request of the Governor or a member of the General Assembly, upon a majority vote of the Legislative Audit Committee.

The eight-member Legislative Audit Committee consists of four members from the Senate appointed by the President, two from each major political party, and four members from the House appointed by the Speaker, two from each major political party.

Office of Legislative Legal Services

The Committee on Legal Services consists of ten members of the General Assembly: the chairpersons of the Senate and House Judiciary Committees; four members from the Senate appointed by the President, two from each party; and four members from the House of Representatives appointed by the Speaker, two from each party. The Committee on Legal Services appoints a nonpartisan director who is an attorney-at-law. The director appoints a professional staff which includes attorneys-at-law and technical and clerical personnel to assist in the operation of the Office of Legislative Legal Services.

Within the Office of Legislative Legal Services is the Revisor of Statutes. The revisor and her staff prepare various legal publications.

The Office of Legislative Legal Services prepares the bills, resolutions, and memorials introduced in the General Assembly. Under joint rule, no bill may be introduced in either house unless first approved as to form by the Office of Legislative Legal Services. In addition, many amendments and all conference committee reports are prepared by the office.

The Office, acting under the direction of the Committee on Legal Services, coordinates litigation involving the General Assembly. Staff attorneys assist retained counsel in the preparation of briefs and other legal research and writing.

The Office also reviews rules and regulations promulgated by executive agencies and all contracts for the Legislative Department.

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Reapportionment Commission

The Reapportionment Commission is appointed every ten years to reapportion the state legislative districts. The Reapportionment Commission is an eleven-member body comprised of four members of the General Assembly, three persons appointed by the Governor, and four persons appointed by the Chief Justice of the Colorado Supreme Court. The Reapportionment Commission was active during Fiscal Year 2012.

Financial Statements Section



Independent Auditor's Report

Members of the Legislative Audit Committee:

Report on the Financial Statements

We have audited the accompanying financial statements of each major fund of the Legislative Department (the "Department") of the State of Colorado (the "State") as of and for the years ended June 30, 2013 and June 30, 2012, and the related notes to the financial statements, which collectively comprise the Department's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audits. We conducted our audits 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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of each major fund of the Department as of June 30, 2013 and June 30, 2012, and the respective changes in financial position and the respective budgetary comparisons for the General Fund and the Special Revenue Fund for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 1 to the basic financial statements, the financial statements of the Department are intended to present the financial position and the changes in the financial position of only that portion of each major fund of the State that is attributable to the transactions of the Department. They do not purport to, and do not, present fairly the financial position of the State as of June 30, 2013 and June 30, 2012, and the changes in its financial position for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 8 through 14 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Department's basic financial statements. The combining information, as shown on pages 40 through 50, is presented for purposes of additional analysis and are not a required part of the financial statements. The combining information is the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. This information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America by us and the other auditors. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Governmental Auditing Standards*, we have also issued our report dated December 9, 2013 on our consideration of the Department'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 the Department's internal control over financial reporting and compliance.

Anton Collins Mitchell LLP

Denver, Colorado
December 9, 2013

STATE OF COLORADO
LEGISLATIVE DEPARTMENT
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEARS ENDED JUNE 30, 2013 AND 2012

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis of the Legislative Department's financial performance is a required component of financial reporting under governmental accounting standards and was prepared by the Department's management. It is intended to provide an overview of the financial activities for the Fiscal Years ended June 30, 2013 and 2012, and it should be read in conjunction with the financial statements, which begin on page 15. These financial statements reflect activities of six agencies: General Assembly, Joint Budget Committee, Legislative Council, Office of the State Auditor, Office of Legislative Legal Services, and Reapportionment Commission, when active.

Using This Report

This financial report consists of financial statements for the Fiscal Years ended June 30, 2013 and 2012. The Balance Sheets provide comparative information on the Department's assets, liabilities, and fund balance for the current and previous fiscal years. The Statements of Appropriations, Revenues, Expenditures, and Changes in Fund Balance provide information on the current and previous fiscal years' appropriations, revenues, expenditures, other financing sources (uses), and beginning and ending fund balances. The Budgetary Comparison Statements reflect the initial budget amounts, the cumulative changes made throughout the course of the year, the revised budget amounts, and the actual amounts received or expended. Finally, the notes to the financial statements contain a summary of significant accounting policies and more specific information about items in the financial statements.

Department Financial Statements

The Department's financial statements consist of fund financial statements and notes to the financial statements.

Fund Financial Statements - A fund is a fiscal and accounting entity with a self-balancing set of accounts that the Department uses to keep track of specific sources of funding and spending for a particular purpose. The Department currently has two governmental funds: the General Fund and the Special Revenue Fund.

Governmental Funds - All of the Department's services are reported in the governmental funds which focus on how money flows into and out of those funds and the balances left at year-end that are available for future spending. The governmental fund financial statements provide a detailed short-term view of the Department's operations and the services it provides. Governmental fund information helps determine whether there are more or fewer financial resources that can be spent in the near future to finance the Department's programs. These funds are reported using the modified accrual basis of

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accounting, which measures cash and all other financial assets that can readily be converted to cash.

The Department has an annual appropriated budget for its General Fund and Special Revenue Fund. Budgetary comparison statements have been provided on pages 17-20 to demonstrate compliance with these budgets.

The basic governmental funds financial statements can be found on pages 15-16 of this report.

Notes to the financial statements - The notes provide additional information that is essential to a full understanding of the data provided in the fund financial statements. The notes to the financial statements can be found on pages 21-39 of this report.

Supplemental Information

The financial statements are followed by a section of supplemental information. Combining financial statements are presented for the General Fund.

FINANCIAL ANALYSIS

General Fund

Condensed Combined Balance Sheets - General Fund

June 30,	2013	2012	2011
Total Assets	\$ 13,396,850	\$ 10,816,650	\$ 5,875,822
Total Liabilities	5,685,311	5,124,110	2,794,430
Fund Balance	<u>\$ 7,711,539</u>	<u>\$ 5,692,540</u>	<u>\$ 3,081,392</u>

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**Condensed Combined Statements of Appropriations, Revenues, Expenditures and Changes in
 Fund Balance - General Fund**

June 30,	2013	2012	2011
Appropriations	\$ 37,046,125	\$ 35,991,915	\$ 35,999,593
Revenues	201,967	369,418	283,586
Total Appropriations and Revenue	<u>37,248,092</u>	<u>36,361,333</u>	<u>36,283,179</u>
Total Expenditures	<u>34,978,786</u>	<u>33,290,127</u>	<u>33,257,118</u>
Excess of Appropriations and Revenues over Expenditures	2,269,306	3,071,206	3,026,061
Total Other Financing Uses	<u>(250,307)</u>	<u>(460,058)</u>	<u>(3,395,178)</u>
Excess (Deficiency) of Appropriations and Revenues over Expenditures and Other Financing Uses	2,018,999	2,611,148	(369,117)
Fund balance - Beginning of Year	<u>5,692,540</u>	<u>3,081,392</u>	<u>3,450,509</u>
Fund balance - End of Year	<u>\$ 7,711,539</u>	<u>\$ 5,692,540</u>	<u>\$ 3,081,392</u>

The Department's General Fund includes four Restricted General Funds: the Ballot Information Publication and Distribution Revolving Fund, the Legislative Expenses Cash Fund, the Youth Advisory Council Cash Fund, and the Legislative Department Cash Fund.

General Fund assets consisted primarily of cash with the State Treasury, inter-departmental receivables, and intra-departmental receivables. Intra-departmental receivables are the result of House Bill 12-1301, which requires unexpended General Fund appropriations to the Legislative Department to be transferred to the Legislative Department Cash Fund. General Fund liabilities consisted of accounts payable, intra-departmental payables, and accrued payrolls payable. Intra-departmental payables are the result of the transfer of unexpended General Fund appropriations to the Legislative Department Cash Fund. Accrued payrolls payable are the result of Senate Bill 03-197, which requires employee salaries to be paid on the last working day of each month, except that salaries for the month of June are paid on the first working day of July. House Bill 12-1246 eliminated the June payday shift for employees paid on a biweekly basis effective July 1, 2012.

Between June 30, 2012, and June 30, 2013, the Department's total General Fund assets increased by \$2,580,200, and General Fund liabilities increased by \$561,201, primarily due to an increase in the transfer of unexpended General Fund appropriations to the Legislative Department Cash Fund as required by House Bill 12-1301.

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 MANAGEMENT'S DISCUSSION AND ANALYSIS
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Between June 30, 2011, and June 30, 2012, the Department's total General Fund assets increased by \$4,940,828, and General Fund liabilities increased by \$2,329,680, primarily due to the transfer of unexpended General Fund appropriations to the Legislative Department Cash Fund as required by House Bill 12-1301.

The Department's General Fund had total fund balances as follows: \$7,711,539 at June 30, 2013, \$5,692,540 at June 30, 2012, and \$3,081,392 at June 30, 2011. The total fund balances include deficit unassigned balances due to salaries and related benefits being incurred but unpaid at fiscal year-end as required by Senate Bill 03-197.

The Department's General Fund revenues for the year ended June 30, 2013, were \$201,967, a decrease of 45.3 percent from the year ended June 30, 2012, primarily due to decreases in audit reimbursements and interest income. General Fund expenditures for the year ended June 30, 2013, were \$34,978,786, an increase of 5.1 percent over the year ended June 30, 2012, primarily due to an increase in expenditures in the Ballot Information Publication and Distribution Revolving Fund and the Legislative Department Cash Fund. Other financing uses decreased by \$209,751, primarily due to a decrease in reversion of non-augmenting revenue.

The Department's General Fund revenues for the year ended June 30, 2012, were \$369,418, an increase of 30.3 percent over the year ended June 30, 2011, primarily due to an increase in audit reimbursements and a decrease in interest income. General Fund expenditures for the year ended June 30, 2012, were \$33,290,127, an increase of 0.1 percent over the year ended June 30, 2011. Other financing uses decreased by \$2,935,120 primarily due to the transfer of unexpended General Fund appropriations to the Legislative Department Cash Fund.

Special Revenue Fund

Condensed Balance Sheet - Special Revenue Fund

June 30,	2013	2012	2011
Total Assets	\$ 16,424	\$ 14,310	\$ 10,986
Total Liabilities	70	84	82
Fund Balance	<u>\$ 16,354</u>	<u>\$ 14,226</u>	<u>\$ 10,904</u>

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**Condensed Statement of Appropriations, Revenues, Expenditures and Changes in
 Fund Balance - Special Revenue Fund**

June 30,	2013	2012	2011
Total Appropriations and Revenue	\$ 8,628	\$ 11,252	\$ 10,529
Total Expenditures	6,500	7,930	16,355
Excess (Deficiency) of Appropriations and Revenues over Expenditures	2,128	3,322	(5,826)
Fund balance - Beginning of Year	14,226	10,904	16,730
Fund balance - End of Year	<u>\$ 16,354</u>	<u>\$ 14,226</u>	<u>\$ 10,904</u>

The Department has one Special Revenue Fund: the Public Buildings Trust Fund. Funds within this fund shall be used for reissuing publications on the history of the state capitol building and other state capitol building memorabilia and for restoring, repairing, and enhancing the state capitol building, the legislative services building, and the grounds of each building.

The Department's Special Revenue Fund total assets consisted of cash, and total liabilities consisted of accounts payable.

Between June 30, 2012, and June 30, 2013, the Department's Special Revenue Fund total assets increased by \$2,114, and fund balance increased by \$2,128, primarily due to decreased expenditures.

Between June 30, 2011, and June 30, 2012, the Department's Special Revenue Fund total assets increased by \$3,324, and fund balance increased by \$3,322, primarily due to decreased expenditures.

For the year ended June 30, 2013, revenues for the Department's Special Revenue Fund were \$8,628, a decrease of 23.3 percent from the previous fiscal year. Expenditures for the year ended June 30, 2013, were \$6,500, a decrease of 18.0 percent from the previous fiscal year, due to a decrease in purchases of items for resale.

For the year ended June 30, 2012, revenues for the Department's Special Revenue Fund were \$11,252, an increase of 6.9 percent over the previous fiscal year. Expenditures for the year ended June 30, 2012, were \$7,930, a decrease of 51.5 percent from the previous fiscal year, due to a decrease in purchases of items for resale.

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BUDGETARY HIGHLIGHTS

The Department's General Fund is primarily funded by appropriations from the State of Colorado's General Fund. The appropriations are supplemented by augmenting revenue as defined in the State's General Fund budget. House Bill 12-1301 requires unexpended General Fund appropriations to be transferred to the Legislative Department Cash Fund beginning in Fiscal Year 2012. Unspent augmenting revenue in the Unrestricted General Fund reverts to the State's General Fund and is not available for expenditure by the Department in subsequent fiscal years. Unspent augmenting revenue in the Restricted General Fund does not revert to the State and is available for fund-related expenditures in subsequent fiscal years.

The Department's Special Revenue Fund is funded by revenue earned from the sale of publications on the history of the State Capitol. The unspent augmenting revenue does not revert to the State and is available for fund-related expenditures in subsequent fiscal years.

Fiscal Year 2013 General Fund Budgetary Highlights

The Department's original General Fund appropriations were \$36,980,119. The original budget was amended by three special bills. The Department's final General Fund appropriations for Fiscal Year 2013 were \$37,046,125, a 2.9 percent increase from Fiscal Year 2012. Interest income was \$3,056. Total General Fund budgetary expenditures were \$34,984,611. The committed General Fund balance increased by \$2,013,174, and unexpended cash fund appropriations of \$64,294 reverted to the General Fund.

Fiscal Year 2012 General Fund Budgetary Highlights

The Department's original General Fund appropriations were \$36,504,286. The original budget was amended by one special bill. A budget roll forward from Fiscal Year 2011 of \$18,680 was approved. The Department's final General Fund appropriations for Fiscal Year 2012 were \$35,991,915, a 0.02 percent decrease from Fiscal Year 2011. Interest income was \$57,658. Total General Fund budgetary expenditures were \$33,302,845. The committed General Fund balance increased by \$2,598,430, and the unexpended cash fund appropriations of \$148,298 reverted to the General Fund.

OTHER CURRENTLY KNOWN FACTS, DECISIONS, OR CONDITIONS

There are no currently known facts, decisions, or conditions that are expected to have a significant effect on the Department's financial position or results of operations.

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MANAGEMENT'S DISCUSSION AND ANALYSIS
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REQUEST FOR INFORMATION

This financial report is designed to provide a general overview of the Department's finances. Questions concerning any of the information provided in this report or requests for additional information should be directed to Betsy Holdredge, Chief Accountant, Legislative Council, 029 State Capitol Building, Denver, CO 80203.

Basic Financial Statements

STATE OF COLORADO - LEGISLATIVE DEPARTMENT
BALANCE SHEETS - GOVERNMENTAL FUNDS

June 30, 2013 and 2012

	2013		2012		Total	
	Combined General Fund	Special Revenue Fund	Combined General Fund	Special Revenue Fund	2013	2012
ASSETS						
Cash	\$ 9,930,444	\$ 16,424	\$ 7,721,971	\$ 14,310	\$ 9,946,868	\$ 7,736,281
Accounts receivable	117,407	-	20,738	-	117,407	20,738
Intradepartmental receivables	3,126,304	-	2,714,729	-	3,126,304	2,714,729
Interdepartmental receivables	153,575	-	291,612	-	153,575	291,612
Prepaid expenses	69,120	-	67,600	-	69,120	67,600
TOTAL ASSETS	\$ 13,396,850	\$ 16,424	\$ 10,816,650	\$ 14,310	\$ 13,413,274	\$ 10,830,960
LIABILITIES						
Accounts payable	\$ 667,744	\$ 70	\$ 512,293	\$ 84	\$ 667,814	\$ 512,377
Intradepartmental payables	3,126,304	-	2,714,729	-	3,126,304	2,714,729
Accrued liabilities	1,891,263	-	1,897,088	-	1,891,263	1,897,088
TOTAL LIABILITIES	5,685,311	70	5,124,110	84	5,685,381	5,124,194
(DEFICIT) FUND BALANCES						
Non-spendable						
Prepays	69,120	-	67,600	-	69,120	67,600
Committed	9,602,802	16,354	7,589,628	14,226	9,619,156	7,603,854
Unassigned	(1,960,383)	-	(1,964,688)	-	(1,960,383)	(1,964,688)
TOTAL FUND BALANCES	7,711,539	16,354	5,692,540	14,226	7,727,893	5,706,766
TOTAL LIABILITIES AND FUND BALANCE	\$ 13,396,850	\$ 16,424	\$ 10,816,650	\$ 14,310	\$ 13,413,274	\$ 10,830,960

STATE OF COLORADO - LEGISLATIVE DEPARTMENT
 STATEMENTS OF APPROPRIATIONS, REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - GOVERNMENTAL FUNDS

For the Years Ended June 30, 2013 and 2012

	<u>2013</u>		<u>2012</u>		<u>Total</u>	
	<u>Combined General Fund</u>	<u>Special Revenue Fund</u>	<u>Combined General Fund</u>	<u>Special Revenue Fund</u>	<u>2013</u>	<u>2012</u>
APPROPRIATIONS AND REVENUES						
Appropriations						
General Fund	\$ 35,963,244	\$ -	\$ 34,703,512	\$ -	\$ 35,963,244	\$ 34,703,512
Cash Fund and Reappropriated Funds	1,082,881	-	1,288,403	-	1,082,881	1,288,403
Total Appropriations	<u>37,046,125</u>	<u>-</u>	<u>35,991,915</u>	<u>-</u>	<u>37,046,125</u>	<u>35,991,915</u>
Revenues						
Miscellaneous revenues						
Audit reimbursements	147,830	-	267,027	-	147,830	267,027
Interest income	3,056	-	57,658	-	3,056	57,658
Miscellaneous	51,081	-	44,733	-	51,081	44,733
Sale of State Capitol history memorabilia	-	8,628	-	11,252	8,628	11,252
TOTAL APPROPRIATIONS AND REVENUES	<u>37,248,092</u>	<u>8,628</u>	<u>36,361,333</u>	<u>11,252</u>	<u>37,256,720</u>	<u>36,372,585</u>
EXPENDITURES						
Compensation	25,484,685	-	24,701,308	-	25,484,685	24,701,308
Purchased services	3,558,438	-	3,666,031	-	3,558,438	3,666,031
Operating expenditures	4,624,812	6,500	3,588,675	7,930	4,631,312	3,596,605
Travel and subsistence	1,247,910	-	1,109,883	-	1,247,910	1,109,883
Capital outlay	62,941	-	129,257	-	62,941	129,257
Debt service	-	-	94,973	-	-	94,973
TOTAL EXPENDITURES	<u>34,978,786</u>	<u>6,500</u>	<u>33,290,127</u>	<u>7,930</u>	<u>34,985,286</u>	<u>33,298,057</u>
EXCESS (DEFICIENCY) OF APPROPRIATIONS AND REVENUES OVER EXPENDITURES	<u>2,269,306</u>	<u>2,128</u>	<u>3,071,206</u>	<u>3,322</u>	<u>2,271,434</u>	<u>3,074,528</u>
OTHER FINANCING SOURCES (USES)						
Reversion of non-augmenting revenue	(186,013)	-	(311,760)	-	(186,013)	(311,760)
Reversion of Cash / Reappropriated appropriation	(64,294)	-	(148,298)	-	(64,294)	(148,298)
TOTAL OTHER FINANCING SOURCES (USES)	<u>(250,307)</u>	<u>-</u>	<u>(460,058)</u>	<u>-</u>	<u>(250,307)</u>	<u>(460,058)</u>
NET CHANGE IN FUND BALANCE	2,018,999	2,128	2,611,148	3,322	2,021,127	2,614,470
FUND BALANCE, BEGINNING OF YEAR	<u>5,692,540</u>	<u>14,226</u>	<u>3,081,392</u>	<u>10,904</u>	<u>5,706,766</u>	<u>3,092,296</u>
FUND BALANCE, END OF YEAR	<u>\$ 7,711,539</u>	<u>\$ 16,354</u>	<u>\$ 5,692,540</u>	<u>\$ 14,226</u>	<u>\$ 7,727,893</u>	<u>\$ 5,706,766</u>

The accompanying notes are an integral part of the financial statements.

STATE OF COLORADO - LEGISLATIVE DEPARTMENT
BUDGETARY COMPARISON STATEMENT - GENERAL FUND (BUDGET BASIS)

For the Year Ended June 30, 2013

	Legislative Appropriations Bill	Long Appropriations Bill	Supplemental Appropriations	Transfers	Budget	Actual	Favorable (Unfavorable) Variance
APPROPRIATIONS AND REVENUES							
Appropriations							
General Fund					\$ 35,963,244	\$ 35,963,244	\$ -
Cash Fund and Reappropriated Funds					1,082,881	1,082,881	-
Total Appropriations					<u>37,046,125</u>	<u>37,046,125</u>	-
Revenues							
Miscellaneous revenues							
Audit reimbursements					-	147,830	147,830
Interest income					-	3,056	3,056
Miscellaneous					-	51,081	51,081
TOTAL APPROPRIATIONS AND REVENUES					<u>37,046,125</u>	<u>37,248,092</u>	<u>201,967</u>
EXPENDITURES BY APPROPRIATION							
General administration	\$ 32,976,269	\$ -	\$ 62,778	\$ 1,257,586	34,296,633	31,138,901	3,157,732
PERA amortization equalization disbursement	677,848	-	-	(677,848)	-	-	-
PERA supplemental amortization equalization disbursement	579,738	-	-	(579,738)	-	-	-
Methamphetamine task force	3,816	-	-	-	3,816	-	3,816
Tobacco settlement audit	89,065	-	-	-	89,065	89,000	65
Youth advisory council	8,472	-	-	-	8,472	-	8,472
Property tax study	-	600,000	-	-	600,000	580,000	20,000
Ballot analysis	-	508,500	-	-	508,500	-	508,500
Capitol complex leased space	-	1,402,249	-	-	1,402,249	1,402,245	4
Legal services	-	14,523	-	-	14,523	5,542	8,981
Purchase of services from computer center	-	55,054	-	-	55,054	55,054	-
Workers' compensation	-	31,210	-	-	31,210	31,210	-
General liability / property insurance	-	13,969	3,228	-	17,197	17,197	-
COFRS modernization	-	19,406	-	-	19,406	19,406	-
Ballot analysis restricted General Fund	-	-	-	-	-	1,026,909	(1,026,909)
Legislative Expenses restricted General Fund	-	-	-	-	-	65,617	(65,617)
Youth advisory council restricted General Fund	-	-	-	-	-	8,632	(8,632)
Legislative Dept. restricted General Fund	-	-	-	-	-	544,898	(544,898)
TOTAL EXPENDITURES BY APPROPRIATION	<u>34,335,208</u>	<u>2,644,911</u>	<u>66,006</u>	<u>-</u>	<u>37,046,125</u>	<u>34,984,611</u>	<u>2,061,514</u>
EXCESS OF APPROPRIATIONS AND REVENUES OVER EXPENDITURES AND TRANSFERS							
					-	2,263,481	2,263,481
OTHER FINANCING USES							
Reversion of non-augmenting revenue					-	(186,013)	(186,013)
Reversion of Cash/Reappropriated Funds appropriation					-	(64,294)	(64,294)
TOTAL OTHER FINANCING USES					<u>-</u>	<u>(250,307)</u>	<u>(250,307)</u>
APPROPRIATIONS AND REVENUES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES							
					-	2,013,174	2,013,174
FUND BALANCE, BEGINNING OF YEAR							
					-	7,589,628	7,589,628
FUND BALANCE, END OF YEAR					<u>\$ -</u>	<u>\$ 9,602,802</u>	<u>\$ 9,602,802</u>

The accompanying notes are an integral part of the financial statements.

STATE OF COLORADO - LEGISLATIVE DEPARTMENT
BUDGETARY COMPARISON STATEMENT - GENERAL FUND (BUDGET BASIS)

For the Year Ended June 30, 2012

	Legislative Appropriations Bill	Long Appropriations Bill	Roll Forward Appropriations	Supplemental Appropriations	Transfers	Budget	Actual	Favorable (Unfavorable) Variance
APPROPRIATIONS AND REVENUES								
Appropriations								
General Fund						\$ 34,703,512	\$ 34,703,512	\$ -
Cash Fund and Reappropriated Funds						1,288,403	1,288,403	-
Total Appropriations						<u>35,991,915</u>	<u>35,991,915</u>	<u>-</u>
Revenues								
Miscellaneous revenues								
Audit reimbursements						-	267,027	267,027
Interest income						-	57,658	57,658
Miscellaneous						-	44,733	44,733
TOTAL APPROPRIATIONS AND REVENUES						<u>35,991,915</u>	<u>36,361,333</u>	<u>369,418</u>
EXPENDITURES BY APPROPRIATION								
General administration	\$ 32,438,051	\$ -	\$ -	\$ (531,051)	\$ 1,054,211	32,961,211	30,262,009	2,699,202
PERA amortization equalization disbursement	586,263	-	-	-	(586,263)	-	-	-
PERA supplemental amortization equalization disbursement	467,948	-	-	-	(467,948)	-	-	-
Methamphetamine task force	3,816	-	-	-	-	3,816	-	3,816
Tobacco settlement audit	94,587	-	-	-	-	94,587	19,975	74,612
Youth advisory council	8,472	-	-	-	-	8,472	-	8,472
Property tax study	-	600,000	-	-	-	600,000	540,000	60,000
Ballot analysis	-	530,500	-	-	-	530,500	-	530,500
Cost of living study	-	250,000	-	-	-	250,000	233,300	16,700
Capitol complex leased space	-	1,414,077	-	-	-	1,414,077	1,414,065	12
Legal services	-	14,233	-	-	-	14,233	5,549	8,684
Purchase of services from computer center	-	52,068	-	-	-	52,068	52,068	-
Workers' compensation	-	32,838	-	-	-	32,838	32,838	-
General liability / property insurance	-	11,433	-	-	-	11,433	11,433	-
Authorized general fund roll forward from FY 2010-11	-	-	18,680	-	-	18,680	18,679	1
Ballot analysis restricted General Fund	-	-	-	-	-	-	474,858	(474,858)
Legislative expenses restricted General Fund	-	-	-	-	-	-	54	(54)
Youth advisory council restricted General Fund	-	-	-	-	-	-	8,736	(8,736)
Legislative Dept. restricted General Fund - Reapportionment Comm.	-	-	-	-	-	-	229,281	(229,281)
TOTAL EXPENDITURES BY APPROPRIATION	<u>33,599,137</u>	<u>2,905,149</u>	<u>18,680</u>	<u>(531,051)</u>	<u>-</u>	<u>35,991,915</u>	<u>33,302,845</u>	<u>2,689,070</u>
EXCESS OF APPROPRIATIONS AND REVENUES OVER EXPENDITURES AND TRANSFERS						<u>-</u>	<u>3,058,488</u>	<u>3,058,488</u>
OTHER FINANCING USES								
Reversion of non-augmenting revenue						-	(311,760)	(311,760)
Reversion of Cash/Reappropriated Funds appropriation						-	(148,298)	(148,298)
TOTAL OTHER FINANCING USES						<u>-</u>	<u>(460,058)</u>	<u>(460,058)</u>
APPROPRIATIONS AND REVENUES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES						<u>-</u>	<u>2,598,430</u>	<u>2,598,430</u>
FUND BALANCE, BEGINNING OF YEAR						<u>-</u>	<u>4,991,198</u>	<u>4,991,198</u>
FUND BALANCE, END OF YEAR						<u>\$ -</u>	<u>\$ 7,589,628</u>	<u>\$ 7,589,628</u>

The accompanying notes are an integral part of the financial statements.

STATE OF COLORADO - LEGISLATIVE DEPARTMENT
 BUDGETARY COMPARISON STATEMENT - SPECIAL REVENUE FUND (BUDGET BASIS)

For the Year Ended June 30, 2013

	Legislative Appropriations Bill	Long Appropriations Bill	Supplemental Appropriations	Transfers	Budget	Actual	Favorable (Unfavorable) Variance
APPROPRIATIONS AND REVENUES							
Appropriation							
Cash Fund and Reappropriated Funds					\$ -	\$ -	\$ -
Augmenting revenue							
Sale of State Capitol history memorabilia					-	8,628	8,628
TOTAL APPROPRIATIONS AND REVENUES					<u>-</u>	<u>8,628</u>	<u>8,628</u>
EXPENDITURES BY APPROPRIATION							
Public building	-	-	-	-	-	6,500	(6,500)
TOTAL EXPENDITURES BY APPROPRIATION	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,500</u>	<u>(6,500)</u>
EXCESS OF APPROPRIATIONS AND REVENUES OVER EXPENDITURES AND TRANSFERS							
					<u>-</u>	<u>2,128</u>	<u>2,128</u>
FUND BALANCE, BEGINNING OF YEAR							
					<u>-</u>	<u>14,226</u>	<u>14,226</u>
FUND BALANCE, END OF YEAR							
					<u>\$ -</u>	<u>\$ 16,354</u>	<u>\$ 16,354</u>

STATE OF COLORADO - LEGISLATIVE DEPARTMENT
 BUDGETARY COMPARISON STATEMENT - SPECIAL REVENUE FUND (BUDGET BASIS)

For the Year Ended June 30, 2012

	Legislative Appropriations Bill	Long Appropriations Bill	Supplemental Appropriations	Transfers	Budget	Actual	Favorable (Unfavorable) Balance
APPROPRIATIONS AND REVENUES							
Appropriation							
Cash Fund and Reappropriated Funds					\$ -	\$ -	\$ -
Augmenting revenue							
Sale of State Capitol history memorabilia					-	11,252	11,252
TOTAL APPROPRIATIONS AND REVENUES					<u>-</u>	<u>11,252</u>	<u>11,252</u>
EXPENDITURES BY APPROPRIATION							
Public building	-	-	-	-	-	7,930	(7,930)
TOTAL EXPENDITURES BY APPROPRIATION	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>7,930</u>	<u>(7,930)</u>
EXCESS OF APPROPRIATIONS AND REVENUES OVER EXPENDITURES AND TRANSFERS							
					<u>-</u>	<u>3,322</u>	<u>3,322</u>
FUND BALANCE, BEGINNING OF YEAR							
					<u>-</u>	<u>10,904</u>	<u>10,904</u>
FUND BALANCE, END OF YEAR							
					<u>\$ -</u>	<u>\$ 14,226</u>	<u>\$ 14,226</u>

STATE OF COLORADO
LEGISLATIVE DEPARTMENT
NOTES TO THE FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2013 AND 2012

NOTE 1 - DEFINITION OF REPORTING ENTITY

The Legislative Department (the Department) is a sub-entity of the State of Colorado. The State of Colorado is the oversight entity that has the responsibility for primary reporting of the State's financial activities. The accompanying financial statements present only that portion of the State of Colorado's financial position and activity which pertains to the Legislative Department. The Department's primary activities are included in the General Fund of the State of Colorado basic financial statements. The Department consists of six agencies: General Assembly, Joint Budget Committee, Legislative Council, Office of the State Auditor, Office of Legislative Legal Services, and Reapportionment Commission, when active.

The Department follows the Governmental Accounting Standards Board (GASB) accounting pronouncements which provide guidance for determining which governmental activities, organizations, and functions should be included within the financial reporting entity. GASB pronouncements set forth the financial accountability of a governmental organization's elected body as the basic criterion for including a possible component governmental organization in a primary government's legal entity. Financial accountability includes, but is not limited to, appointment of a voting majority of the organization's governing body, ability to impose its will on the organization, a potential for the organization to provide specific financial benefits or burdens, and fiscal dependency.

The Department is not financially accountable for any other organization.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The more significant accounting policies of the Legislative Department are described as follows:

A. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The Legislative Department, in conjunction with the State of Colorado, adopted GASB Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*, effective July 1, 2001. GASB Statement No. 34 specifically requires that general purpose governments prepare government-wide financial statements. The Legislative Department does not meet the definition of a general purpose government and, therefore, presents its financial statements on a fund

STATE OF COLORADO
LEGISLATIVE DEPARTMENT
NOTES TO THE FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2013 AND 2012

basis. The Legislative Department is a sub-entity of the State of Colorado; therefore, its financial activities are presented within the State of Colorado's Comprehensive Annual Financial Report.

Fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or 60 days thereafter to pay liabilities of the current period. Expenditures are recorded when a liability is incurred, as under accrual accounting. However, expenditures related to compensated absences are recorded only when payment is due and payable.

The financial activities of the Department are recorded in individual funds, each of which is deemed to be a separate accounting entity. The Department uses fund accounting to report on its financial position and results of operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities. A fund is a separate accounting entity with a self-balancing set of accounts.

The Legislative Department reports the following two governmental fund types:

The **General Fund** is the principal operating fund of the Department. It accounts for all financial resources except those required to be accounted for in another fund. The General Fund includes four Restricted General Funds and the Unrestricted General Fund.

The **Special Revenue Fund** includes fund activities financed by specific revenue sources that are legally restricted for specified purposes.

STATE OF COLORADO
LEGISLATIVE DEPARTMENT
NOTES TO THE FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2013 AND 2012

The Department has the following four restricted general funds:

The **Ballot Information Publication and Distribution Revolving Fund** was created by Senate Bill 97-204 to pay the costs of publishing the text and title of each constitutional amendment and initiated or referred measure in every legal newspaper in the State as required by Section 1-40-124, C.R.S., and to pay the costs of distributing the ballot information booklet as required by subsection (2) of Section 1-40-124.5, C.R.S. Any monies credited to the revolving fund and unexpended at the end of any given fiscal year will remain in the fund. Monies in the revolving fund are continuously appropriated.

The **Legislative Expenses Cash Fund** was created by House Bill 04-1369 to pay the compensation and expenses of any legal counsel retained by the Committee on Legal Services pursuant to Section 2-3-1001, C.R.S., and to pay any necessary expense of such actions and proceedings for which such legal counsel is retained. Senate Bill 05-157 amended the statute to provide for payment of other qualified expenses from the fund. Senate Bill 07-223 amended the definition of other qualified expenses in the statute. The Executive Committee of the Legislative Council may authorize payment of expenses relating to legislative aides, expenses relating to the upkeep and furnishings of space occupied by the Legislative Department, and expenses relating to electronic voting equipment in the chambers of the Senate and the House of Representatives, if the amount of monies to be so expended is not needed in the foreseeable future for compensation and expenses of legal counsel. Monies in the fund are continuously appropriated.

The **Youth Advisory Council Cash Fund** was created by House Bill 08-1157 for the purpose of providing for the direct and indirect costs associated with the Youth Advisory Council. The Youth Advisory Council was created to examine, evaluate, and discuss the issues, interests, and needs affecting Colorado youth now, and in the future, and to formally advise and make recommendations to elected officials regarding those issues. The fund consists of any moneys appropriated to the fund, gifts, grants, and donations. Any monies credited to the fund and unexpended at the end of any given fiscal year will remain in the fund.

The **Legislative Department Cash Fund** was created by House Bill 09-1348 to pay for expenses of the Legislative Department. The fund is comprised of moneys the Legislative Department accepts as gifts, grants, or donations from private and public sources and any other moneys appropriated to the fund. Any monies credited to the fund and unexpended at the end of any given fiscal year

STATE OF COLORADO
LEGISLATIVE DEPARTMENT
NOTES TO THE FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2013 AND 2012

will remain in the fund. House Bill 10-1210 established the redistricting account within the Legislative Department Cash Fund to pay for the expense of redistricting the congressional and state legislative districts in the state. House Bill 12-1301 requires unexpended General Fund appropriations to the Legislative Department to be transferred to the Legislative Department Cash Fund beginning in Fiscal Year 2012.

The Department has the following special revenue fund:

The **Public Buildings Trust Fund** was created for the purpose of promoting historical interest in the State Capitol Building. Receipts from gifts, grants, or donations and sales to the public of publications on the history of the State Capitol Building and other State Capitol memorabilia and associated disbursements are accounted for in this fund. Moneys in the fund are used for replenishing supplies of publications and memorabilia for sale to the public, and to enhance preservation of original and historic elements of the State Capitol Building. Transactions recorded in this fund on these financial statements reflect only the activity of this special account of the Legislative Department.

B. Budgets

Expenditures of the Department are authorized under annual appropriations and supplemental appropriations made by the State General Assembly. The legislative appropriation is constitutionally limited to the unrestricted funds held by the State at the beginning of the year as determined by the modified accrual basis of accounting.

Expenditures are controlled through the use of encumbrances. Monies are reserved for satisfaction of obligations incurred under contracts and purchase orders. Encumbrances outstanding at year-end are not reported as a reservation of fund balance, but rather become a commitment against resources that will become available in future periods.

The State Controller has the authority to approve the carryover of unexpended appropriations to the subsequent fiscal year under circumstances described in the State Fiscal Rules.

The budget for all funds is adopted on a basis consistent with Generally Accepted Accounting Principles (GAAP) except as follows:

- Expenditures for budgetary purposes exclude amounts for salaries and benefits incurred but unpaid at year-end.

STATE OF COLORADO
 LEGISLATIVE DEPARTMENT
 NOTES TO THE FINANCIAL STATEMENTS
 YEARS ENDED JUNE 30, 2013 AND 2012

- Expenditures for budgetary purposes exclude amounts for capital assets acquired under a capital lease.

Budget to GAAP differences for General Fund expenditures for the Fiscal Years ended June 30, 2013 and 2012, are as follows:

June 30,	2013	2012
Total expenditures, GAAP basis	\$ 34,978,786	\$ 33,290,127
Reduction (Increase) in salaries incurred but unpaid	5,825	12,718
Total expenditures, budgetary basis	<u>\$ 34,984,611</u>	<u>\$ 33,302,845</u>

C. Cash

The balance in cash at June 30, 2013 and 2012, represents the net year-end effect of transactions between the Legislative Department and the State’s General Fund. A positive balance represents an excess of expenditures incurred but not paid over revenues earned but not collected. In other words, more revenue has been collected than expenditures paid at year-end. A negative balance represents an excess of revenues earned but not collected over expenditures incurred but not paid; or more expenditures have been paid than revenue collected at year-end.

The Department deposits cash with the Colorado State Treasurer as required by Colorado Revised Statutes (C.R.S.). The State Treasurer pools these deposits and invests them in securities authorized by Section 24-75-601.1, C.R.S. The Department reports its share of the Treasurer’s unrealized gains/losses on the basis of its participation in the State Treasurer’s pool. All of the Treasurer’s investments are reported at fair value, which is determined on the basis of quoted market prices at June 30, 2013 and 2012. The State Treasurer does not invest any of the pool in any external investment pool, and there is no assignment of income related to participation in the pool. The unrealized gains and losses included in “Interest Income” reflect only the change in fair value during the current fiscal year. Additional information on the Treasurer’s pool may be obtained in the State of Colorado’s Comprehensive Annual Financial Report.

STATE OF COLORADO
LEGISLATIVE DEPARTMENT
NOTES TO THE FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2013 AND 2012

D. Capital Assets

Capital assets are stated at cost, except for donated assets, which are stated at their estimated fair market value on the date donated. Capital assets are recorded as expenditures in the year of acquisition.

E. Compensated Absences

The Department has a policy that allows employees to accumulate unused vacation benefits and sick leave up to certain maximums. Compensated absences are recognized as current salary costs only when paid. As such, none of the accrued vacation or sick leave benefits would normally be liquidated with expendable available financial resources.

F. Fund Balance

Fund balance classifications are non-spendable and spendable.

Non-spendable fund balance consists of prepaid expenses. The General Fund non-spendable fund balance was \$69,120 at June 30, 2013, and \$67,600 at June 30, 2012.

Spendable fund balance is further segregated into categories based on the degree to which resources are constrained. The categorization, in part, is a result of the State's spending prioritization policy. When an expenditure is incurred that could be funded from either restricted or unrestricted sources it is the State's general policy that unrestricted dollars are spent first, and within unrestricted sources funding is allocated first from unassigned, then assigned, and then committed resources. However, in certain circumstances restricted and/or committed resources are spent without regard to other available funding sources including transfers to fund indirect costs, to programs operating in the General Fund, and others. Spendable fund balance classifications include:

- **Committed fund balance** consists of amounts constrained by the General Assembly, the State's highest level of decision-making authority, and is the default position for the majority of governmental funds, excluding the General Fund. The Department's four Restricted General Funds and one Special Revenue Fund have committed fund balances. The committed fund balance in the Ballot Information Publication and Distribution Revolving Fund is to be used exclusively for the printing and distribution of annual ballot information. The fund balance in the Ballot Information Publication and Distribution Fund

STATE OF COLORADO
LEGISLATIVE DEPARTMENT
NOTES TO THE FINANCIAL STATEMENTS
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was \$3,149,621 at June 30, 2013, and \$3,676,550 at June 30, 2012. The committed fund balance in the Legislative Expenses Cash Fund is to be used exclusively for the legal expenses of the Legislative Department, expenses relating to legislative aides, expenses relating to the upkeep and furnishings of space occupied by the Legislative Department, and expenses relating to electronic voting equipment in the chambers of the Senate and the House of Representatives. The fund balance in the Legislative Expenses Cash Fund was \$323,120 at June 30, 2013, and \$389,432 at June 30, 2012. The committed fund balance in the Youth Advisory Council Cash Fund is to be used exclusively for the direct and indirect costs of the Youth Advisory Council. The fund balance in the Youth Advisory Council Cash Fund was \$62 at June 30, 2013, and \$220 at June 30, 2012. The committed fund balance in the Legislative Department Cash Fund is to be used exclusively for expenses of the Legislative Department. The fund balance in the Legislative Department Cash Fund was \$6,129,999 at June 30, 2013, and \$3,523,426 at June 30, 2012. The committed fund balance in the Public Buildings Trust Fund is to be used exclusively for the promotion of history publications and memorabilia related to the Capitol Building. The fund balance in the Public Buildings Trust Fund was \$16,354 at June 30, 2013, and \$14,226 at June 30, 2012.

- **Assigned fund balance** represents the portion of fund balance related to appropriations that were encumbered for goods and services that were not received before June 30 due to extenuating circumstances. These appropriation rollforwards must be approved by the Colorado State Controller in accordance with State Fiscal Rules. The General Fund assigned fund balance was zero at June 30, 2013, and zero at June 30, 2012.
- **Unassigned fund balance** is the residual category in the General Fund, and is not available in other governmental funds unless the fund balance is a deficit. At June 30, 2013 and 2012, the General Fund had unassigned deficit fund balances of \$1,960,383 and \$1,964,688, respectively. These deficit fund balances are due to prepaid expenses and salaries and benefits being incurred but unpaid at fiscal year-end as discussed in Note 3. The Department received the appropriation to pay those salaries and benefits on July 1 of the following year.

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NOTE 3 - ACCRUED SALARIES AND BENEFITS

Senate Bill 03-197 requires employee salaries to be paid on a monthly basis as of the last working day of the month, except that salaries for the month of June shall be paid on the first working day of July. The salaries and benefits earned, but unpaid, as of June 30, 2013 and 2012, were \$1,891,263 and \$1,897,088, respectively. Accordingly, the accrued compensation is reflected as a liability in the accompanying financial statements.

NOTE 4 - APPROPRIATIONS AND REVENUE

The Legislative Department's primary funding source consists of an appropriation from the State's General Fund. This appropriation is supplemented by appropriations from cash funds and transfers from other agencies within the State. The cash funds appropriated to the Department are from sales of publications. Transfers from other agencies are called reappropriated funds. These funds are exempt from the Taxpayer's Bill of Rights (TABOR) calculations discussed in Note 6. Beginning in Fiscal Year 2012, unexpended General Fund appropriations transfer to the Legislative Department Cash Fund due to House Bill 12-1301.

The Legislative Department appropriation for the years ended June 30, 2013 and 2012, specified that \$90,000 of revenue earned by the sale of bill copies was available for expenditure by the General Assembly. The Legislative Department appropriation for the years ended June 30, 2013 and 2012, also specified that audit reimbursements of \$900,000 and \$850,000, respectively, were available for expenditure by the Office of the State Auditor. Receipts in excess of that amount were not available for expenditure.

Miscellaneous revenue for the year ended June 30, 2013, consists of reimbursements in excess of \$900,000 for audit services performed by the Office of the State Auditor for certain non-state-appropriated activities of the State, interest income, and other miscellaneous amounts. Miscellaneous revenue for the year ended June 30, 2012, consists of charges in excess of \$850,000 for audit services performed by the Office of the State Auditor for certain non-state-appropriated activities of the State, interest income, and other miscellaneous amounts. House Bill 13-1039 requires miscellaneous revenues, with certain exceptions, to be deposited in the Legislative Department Cash Fund, effective April 19, 2013.

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NOTE 5 - AUDIT CONTRACTS

The Office of the State Auditor contracts with private firms to perform selected audits of various state agencies and authorities. In situations where the state agency or authority is required by law to pay for audit costs, the Office of the State Auditor acts as agent and offsets the amounts paid to the private firms by the amounts reimbursed by the auditee agency or authority. The reimbursement for Fiscal Year 2013 was \$2,177,186 and for Fiscal Year 2012 was \$2,214,985. These amounts are not reflected in audit reimbursements.

As of June 30, 2013 and 2012, the Office of the State Auditor had contract commitments of \$570,093 and \$495,597, respectively, with independent certified accountants (and/or non-accounting firms) to perform audit and consulting services.

NOTE 6 - TAX, SPENDING, AND DEBT LIMITATIONS

In November 1992 the voters of Colorado approved Amendment 1, commonly known as the Taxpayer's Bill of Rights (TABOR), which added a new Section 20 to Article X of the Colorado Constitution. TABOR contains tax, spending, revenue, and debt limitations.

The Department's financial activity, as part of the State of Colorado's budget for Fiscal Year 1993, provided the basis for calculation of future limitations at the state level adjusted for allowable increases tied to inflation and population. Subsequent to 1993, revenue in excess of the State's "spending limit" must be refunded unless voters approve the retainage of such excess revenue. TABOR generally requires voter approval for any new tax, tax increases, and new debt.

TABOR does not affect the Department's Fiscal Year 2013 and 2012 financial statements; however, the limitations contained in TABOR may impact future financial activity of the State of Colorado and the Department.

NOTE 7 - RELATED PARTY TRANSACTIONS

The Department is a department of Colorado State Government, and as such, receives many services from other state agencies, many of which are not billed to the Department. The most significant of these are accounting support and review services provided by the Office of the State Controller to the Chief Accountant for the Legislative Council.

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NOTE 8 - OPERATING LEASES

The Department has several operating leases for equipment and paid rent for the capitol complex building space used by Legislative Department service agencies and office space leased outside of the capitol complex. Total operating lease (rent) expense for Fiscal Years 2013 and 2012 amounted to \$1,546,920 and \$1,565,851, respectively. Future minimum commitments for the capitol complex lease do not exceed one year. Operating leases for equipment expire March 2016 through October 2016, and the office space leases outside of the capitol complex expire in October 2013 and July 2014. The future minimum annual rental commitments are as follows:

	Minimum lease payments	
Year ending June 30, 2014	\$	111,587
2015		62,935
2016		55,699
2017		14,584
2018		-
	\$	244,805

NOTE 9 - CAPITAL ASSETS

Pursuant to the provisions of GASB Statement No. 34, the Department’s capital assets are reported only in the statewide financial statements. In addition, these capital assets are depreciated over their estimated useful lives, but depreciation expense is also reported only in the statewide financial statements.

Capital assets are stated at historical cost. Donated capital assets are stated at their estimated fair value on the date donated. The capitalization criterion for capital assets is \$5,000 for furniture, equipment, and software. Capital assets are depreciated using the straight-line method over the estimated useful lives of the related assets, which range from 3 years to 15 years.

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The following is a summary of changes in the Department's capital assets to be included with governmental activities in the statewide financial statements:

	Equipment	Software	Leasehold Improvements	Total
Cost:				
Balances, July 1, 2011	\$ 2,193,024	\$ 299,553	\$ 42,173	\$ 2,534,750
Additions	111,256	18,000	-	129,256
Deletions	<u>(326,287)</u>	<u>-</u>	<u>-</u>	<u>(326,287)</u>
Balances, June 30, 2012	1,977,993	317,553	42,173	2,337,719
Additions	62,941	-	-	62,941
Deletions	<u>(21,545)</u>	<u>(5,693)</u>	<u>-</u>	<u>(27,238)</u>
Balances, June 30, 2013	<u>2,019,389</u>	<u>311,860</u>	<u>42,173</u>	<u>2,373,422</u>
Accumulated Depreciation:				
Balances, July 1, 2011	\$ (1,763,977)	\$ (193,095)	\$ (37,956)	\$ (1,995,028)
Additions	(216,577)	(46,172)	(4,217)	(266,966)
Deletions	<u>326,287</u>	<u>-</u>	<u>-</u>	<u>326,287</u>
Balances, June 30, 2012	(1,654,267)	(239,267)	(42,173)	(1,935,707)
Additions	(112,313)	(32,286)	-	(144,599)
Deletions	<u>21,545</u>	<u>5,693</u>	<u>-</u>	<u>27,238</u>
Balances, June 30, 2013	<u>(1,745,035)</u>	<u>(265,860)</u>	<u>(42,173)</u>	<u>(2,053,068)</u>
Total capital assets, net, June 20, 2013	<u>\$ 274,354</u>	<u>\$ 46,000</u>	<u>\$ -</u>	<u>\$ 320,354</u>

STATE OF COLORADO
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NOTE 10 - LONG-TERM OBLIGATIONS

Long-term liability activity to be included with the governmental activities in the statewide financial statements for the Fiscal Years ended June 30, 2013 and 2012, included capital leases and compensated absences, and were as follows:

	<u>Capital lease</u>	<u>Compensated absences</u>	<u>Total</u>
Balances, July 1, 2011	\$ 94,974	\$ 1,710,113	\$ 1,805,087
Additions	-	103,773	103,773
Reductions	(94,974)	(74,576)	(169,550)
Balances, June 30, 2012	-	1,739,310	1,739,310
Additions	-	158,933	158,933
Reductions	-	(2,122)	(2,122)
Balances, June 30, 2013	<u>\$ -</u>	<u>\$ 1,896,121</u>	<u>\$ 1,896,121</u>
Due within one year	<u>\$ -</u>	<u>\$ 23,882</u>	<u>\$ 23,882</u>

In July 2008, the Department entered into a capital lease agreement to finance the acquisition of computer equipment for \$371,746. The capital lease had an effective interest rate of 4.7 percent and was collateralized by the leased equipment. The lease expired in June 2012. Compensated absence increases were due to increased salaries, days accrued but not taken, and the combined employer PERA rate, a component of the liability, went from 13.15% in Fiscal Year 2012 to 16.55% for Fiscal Year 2013. The small decrease was due to a decrease in sick leave balances.

NOTE 11 - PENSION PLANS

A. Plan Description

The majority of the Department's employees participate in a defined benefit pension plan. The plan's purpose is to provide income to members and their families at retirement or in case of death or disability. The plan is a cost-sharing multiple-employer plan administered by the Public Employees' Retirement Association (PERA). PERA was established by State statute in 1931. Responsibility for the organization and administration of the plan is placed with the PERA Board of Trustees. Changes to the plan require an actuarial assessment and legislation by the General Assembly. The

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State plan and other divisions' plans are included in PERA's financial statements, which may be obtained by writing PERA at PO Box 5800, Denver, Colorado 80217, by calling PERA at 1-800-759-PERA (7372), or by visiting www.copera.org.

New employees are allowed 60 days to elect to participate in PERA's defined contribution retirement plan. If that election is not made, the employee becomes a member of PERA's defined benefit plan.

PERA members electing the defined contribution plan are allowed an irrevocable election between the second and fifth year to use their defined contribution account to purchase service credit and be covered under the defined benefit retirement plan. However, making this election subjects the member to the rules in effect for those hired on or after January 1, 2007, as discussed below. Employer contributions to the defined contribution plan are the same as the contributions to the PERA defined benefit plan.

Defined benefit plan members vest after five years of service and are eligible for full retirement based on their original hire date as follows:

- Hired before July 1, 2005 – age 50 with 30 years of service, age 60 with 20 years of service, or age 65 with 5 years of service.
- Hired between July 1, 2005, and December 31, 2006 – any age with 35 years of service, age 55 with 30 years of service, age 60 with 20 years of service, or age 65 with any years of service.
- Hired between January 1, 2007 and December 31, 2010 – any age with 35 years of service, age 55 with 30 years of service, age 60 with 25 years of service, or age 65 with 5 years of service. For members with less than five years of service credit as of January 1, 2011, age and service requirements increase to those required for members hired between January 1, 2007, and December 31, 2010.
- Hired between January 1, 2011 and December 31, 2016 – any age with 35 years of service, age 58 with 30 years of service, or age 65 with 5 years of service.
- Hired on or after January 1, 2017 – any age with 35 years of service, age 60 with 30 years of service, or age 65 with 5 years of service.

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Members are also eligible for retirement benefits without a reduction for early retirement based on their original hire date as follows:

- Hired before January 1, 2007 – age 55 with a minimum of 5 years of service credit and age plus years of service equals 80 or more.
- Hired between January 1, 2007 and December 31, 2010 – age 55 with a minimum of 5 years of service credit and age plus years of service equals 85 or more. Age plus years of service requirements increase to 85 for members with less than 5 years of service credit as of January 1, 2011.
- Hired between January 1, 2011 and December 31, 2016 – age 58 and age plus years of service equals 88 or more.
- Hired on or after January 1, 2017 – age 60 and age plus years of service equals 90.

Members automatically receive the higher of the defined retirement benefit or money purchase benefit at retirement. Defined benefits are calculated as 2.5 percent times the number of years of service times the highest average salary (HAS). For retirements before January 1, 2009, HAS is calculated as one-twelfth of the average of the highest salaries on which contributions were paid, associated with three periods of 12 consecutive months of service credit and limited to a 15 percent increase between periods. For retirements after January 1, 2009, or persons hired on or after January 1, 2007, more restrictive limits are placed on salary increases between periods used in calculating HAS.

Retiree benefits are increased annually in July after one year of retirement based on the member's original hire date as follows:

- Hired before July 1, 2007 – the lesser of 2 percent or the average of the monthly Consumer Price Index increases.

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- Hired on or after January 1, 2007 – the lesser of 2 percent or the actual increase in the national Consumer Price Index, limited to a 10 percent reduction in a reserve established for cost of living increases related strictly to those hired on or after January 1, 2007. (The reserve is funded by 1 percentage point of salaries contributed by employers for employees hired on or after January 1, 2007.)
- The upper limits on benefits increase by one-quarter percentage point each year when the funded ratio of PERA equals or exceeds 103 percent and declines by one-quarter percentage point when the funded ratio drops below 90 percent after having exceeded 103 percent. The funded ratio increase does not apply for three years when a negative return on investment occurs.

Members who are disabled, who have five or more years of service credit, six months of which has been earned since the most recent period of membership, may receive retirement benefits if determined to be permanently disabled. If a member dies before retirement, their eligible children under the age of 18 (23 if a full-time student) or their spouse may be entitled to a single payment or monthly benefit payments. If there is no eligible child or spouse, then financially dependent parents, beneficiaries, or the member's estate may be entitled to a survivor's benefit.

B. Funding Policy

The contribution requirements of plan members and their employers are established, and may be amended, by the General Assembly. Salary subject to PERA contribution is gross earnings less any reduction in pay to offset employer contributions to the state sponsored IRC 125 plan established under Section 125 of the Internal Revenue Code.

Most employees contribute 8.0 percent of their salary, as defined in C.R.S. 24-51-101(42), to an individual account in the plan. Effective July 1, 2012, the temporary contribution rate increase of 2.5 percent for members in the State and Judicial Divisions to replace the 2.5 percent reduction in employer contributions effective for Fiscal Years 2012 and 2011 expired.

From July 1, 2011, to December 31, 2011, the State contributed 12.25 percent of the employees' salary. From January 1, 2012, to June 30, 2012, the State contributed 13.15 percent. From July 1, 2012, to December 31, 2012, the State contributed 15.65 percent of the employee's salary. From January 1, 2013, through June 30, 2013, the State contributed 16.55 percent. During all of Fiscal Years 2013 and 2012, 1.02 percent of the employees' total salary was allocated to the Health Care Trust Fund.

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Per Colorado Revised Statutes, an amortization period of 30 years is deemed actuarially sound. At December 31, 2012, the division of PERA in which the State participates has a funded ratio of 59.2 percent and a 53 year amortization period based on current contribution rates. The funded ratio on the market value of assets is slightly higher at 60.2 percent.

In the 2004 and 2010 legislative sessions, the General Assembly authorized an Amortization Equalization Disbursement (AED) to address a pension-funding shortfall. The AED requires PERA employers to pay an additional 0.5 percent of salary for calendar years 2006 and 2007, with subsequent year increases of 0.4 percent of salary through 2017, to a maximum of 5.0 percent.

In the 2006 and 2010 legislative sessions, the General Assembly authorized a Supplemental Amortization Equalization Disbursement (SAED) that requires PERA employers to pay an additional one-half percentage point of total salaries for calendar years 2008 through 2017, to a maximum of 5.0 percent. The SAED will be deducted from the amount otherwise available to increase State employees' salaries.

At a 103 percent funding ratio, both the AED and the SAED will be reduced by one-half percentage point, and for subsequent declines to below 90 percent funded both the AED and SAED will be increased by one-half percentage point.

Historically members have been allowed to purchase service credit at reduced rates. However, legislation passed in the 2006 session required that future agreements to purchase service credit be sufficient to fund the related actuarial liability.

The Legislative Department's contributions to the Defined Benefit Plan for Fiscal Years ending June 30, 2013, 2012, and 2011 were \$2,371,643, \$1,820,646, and \$1,683,877, respectively. These contributions met the contribution requirement for each year.

NOTE 12 - OTHER RETIREMENT PLANS

Defined Contribution Plan

The PERA Defined Contribution Retirement Plan was established January 1, 2006, as an alternative to the defined benefit plan. All employees have the option of participating in the plan. At July 1, 2009, the State's administrative functions for the defined contribution plan were transferred to PERA. New member contributions to the plan vest from 50 percent to 100 percent evenly over 5 years. Participants in the plan

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are required to contribute 8.0 percent of their salary. For Fiscal Years 2012 and 2011 the legislature temporarily increased the required contribution rate to 10.5 percent. At December 31, 2012, the plan had 4,362 participants.

Deferred Compensation Plan

The PERA Deferred Compensation Plan (457 Plan) was established July 1, 2009, as a continuation of the State's deferred compensation plan which was established for state and local government employees in 1981. At July 1, 2009, the State's administrative functions for the 457 Plan were transferred to PERA, where all costs of administration and funding are borne by the plan participants. In calendar year 2012, participants were allowed to make contributions of up to 100 percent of their annual gross salary (reduced by their 8 percent PERA contribution with a temporary increase to 10.5 percent for Fiscal Years 2012 and 2011) to a maximum of \$17,000. Participants who are age 50 and older, and contributing the maximum amount allowable, were allowed to make an additional \$5,500 contribution in 2012, for total contributions of \$22,500. Contributions and earnings are tax deferred. At December 31, 2012, the plan had 17,469 participants.

PERA 401(k) Plan

PERA also offers a voluntary 401(k) plan entirely separate from the defined benefit pension plan, the deferred compensation plan, and the defined contribution plan.

NOTE 13 - OTHER POSTEMPLOYMENT BENEFITS AND LIFE INSURANCE

The PERA Health Care Program began covering benefit recipients and qualified dependents on July 1, 1986. This benefit was developed after legislation in 1985 established the Program and the Health Care Fund; the program was converted to a trust fund in 1999. The plan is a cost-sharing multiple-employer plan under which PERA subsidizes a portion of the monthly premium for health care coverage. The benefits and employer contributions are established in statute and may be amended by the General Assembly. PERA includes the Health Care Trust Fund in its Comprehensive Annual Financial Report, which may be obtained by writing PERA at PO Box 5800, Denver, Colorado 80217, by calling PERA at 1-800-759-PERA (7372), or by visiting www.copera.org.

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After the PERA subsidy, the benefit recipient pays the balance of the premium through an automatic deduction from the monthly retirement benefit. Monthly premium costs for participants depend on the health care plan selected, the PERA subsidy amount, Medicare eligibility, and the number of persons covered. Effective July 1, 2000, the maximum subsidy is \$230 per month for benefit recipients who are under 65 years of age and who are not entitled to Medicare and \$115 per month for benefit recipients who are 65 years of age or older or who are under 65 years of age and entitled to Medicare. The maximum subsidy is based on the recipient having 20 years of service credit, and is subject to reduction by 5.0 percent for each year less than 20 years.

Employees are not required to contribute to the Health Care Trust Fund, which is maintained by employers' contributions as discussed above in Note 11.B. Beginning July 1, 2004, the employer is required to contribute 1.02 percent of gross covered wages to the Health Care Trust Fund. The Legislative Department's contributions to the Health Care Trust Fund for Fiscal Years ending June 30, 2013, 2012, and 2011 were \$160,540, \$159,286, and \$159,649, respectively. In each year the amount contributed was 100 percent of the required contribution.

The Health Care Trust Fund offers two general types of plans: fully-insured plans offered through health care organizations and self-insured plans administered for PERA by third-party vendors. As of December 31, 2012, there were 51,666 enrolled participants, including spouses and dependents, from all contributors to the plan. At December 31, 2012, the Health Care Trust Fund had an unfunded actuarial accrued liability of \$1.43 billion, a funded ratio of 16.5 percent, and a 66-year amortization period.

NOTE 14 - RISK MANAGEMENT

The State of Colorado currently self-insures its agencies, officials, and employees for the risks of losses to which they are exposed. These losses include general liability, motor vehicle liability, and workers' compensation. The Risk Management Fund is a part of the State's General Fund and is used for claims adjustment, investigation, defense, and authorization for the settlement and payment of claims or judgments against the State except for employee medical claims. Property claims are not self-insured; rather, the State has purchased insurance.

Colorado employers are liable for occupational injuries and diseases of their employees. Benefits are prescribed by the Workers' Compensation Act of Colorado for medical expenses and loss of wages resulting from job-related disabilities. The State utilizes the

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services of Pinnacol Assurance to administer its plan. The State reimburses Pinnacol Assurance for the current cost of claims paid and related administrative expenses.

The Department participates in the Risk Management Fund. Agency premiums are based on an assessment of risk exposure and historical experience. Liabilities are recorded when it is probable that a loss has occurred and the amount of that loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred but not reported. Liabilities are reevaluated periodically to take into consideration recently settled claims, the frequency of claims, and other economic and social factors.

Additional information is included in the State of Colorado Comprehensive Annual Financial Report.

NOTE 15 - SUBSEQUENT EVENTS

The Department has evaluated subsequent events through December 9, 2013, the date these financial statements were available to be issued. In September 2013, the Office of the State Auditor signed a lease amendment and gave 60-day notice to vacate its Local Government office space as of October 31, 2013. This lease space will expire at December 31, 2013. There were no other material subsequent events that required recognition or additional disclosure in these financial statements.

Supplementary Information

STATE OF COLORADO - LEGISLATIVE DEPARTMENT
COMBINING BALANCE SHEETS - GENERAL FUND

June 30, 2013 and 2012

	<u>2013</u>		<u>2012</u>		<u>Total</u>	
	<u>General Fund Unrestricted</u>	<u>General Fund Restricted</u>	<u>General Fund Unrestricted</u>	<u>General Fund Restricted</u>	<u>General Fund 2013</u>	<u>General Fund 2012</u>
ASSETS						
Cash	\$ 3,371,524	\$ 6,558,920	\$ 2,841,168	\$ 4,880,803	\$ 9,930,444	\$ 7,721,971
Accounts receivable	115,007	2,400	20,738	-	117,407	20,738
Intradepartmental receivables	-	3,126,304	-	2,714,729	3,126,304	2,714,729
Interdepartmental receivables	153,575	-	291,612	-	153,575	291,612
Prepaid expenses	69,120	-	67,600	-	69,120	67,600
TOTAL ASSETS	<u>\$ 3,709,226</u>	<u>\$ 9,687,624</u>	<u>\$ 3,221,118</u>	<u>\$ 7,595,532</u>	<u>\$ 13,396,850</u>	<u>\$ 10,816,650</u>
LIABILITIES						
Accounts payable	\$ 582,922	\$ 84,822	\$ 506,389	\$ 5,904	\$ 667,744	\$ 512,293
Intradepartmental payables	3,126,304	-	2,714,729	-	3,126,304	2,714,729
Accrued liabilities	1,891,263	-	1,897,088	-	1,891,263	1,897,088
TOTAL LIABILITIES	<u>5,600,489</u>	<u>84,822</u>	<u>5,118,206</u>	<u>5,904</u>	<u>5,685,311</u>	<u>5,124,110</u>
(DEFICIT) FUND BALANCES						
Non-spendable						
Prepays	69,120	-	67,600	-	69,120	67,600
Committed	-	9,602,802	-	7,589,628	9,602,802	7,589,628
Unassigned	(1,960,383)	-	(1,964,688)	-	(1,960,383)	(1,964,688)
TOTAL (DEFICIT) FUND BALANCES	<u>(1,891,263)</u>	<u>9,602,802</u>	<u>(1,897,088)</u>	<u>7,589,628</u>	<u>7,711,539</u>	<u>5,692,540</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 3,709,226</u>	<u>\$ 9,687,624</u>	<u>\$ 3,221,118</u>	<u>\$ 7,595,532</u>	<u>\$ 13,396,850</u>	<u>\$ 10,816,650</u>

STATE OF COLORADO - LEGISLATIVE DEPARTMENT
 COMBINING STATEMENTS OF APPROPRIATIONS, REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - GENERAL FUND

For the Years Ended June 30, 2013 and 2012

	<u>2013</u>		<u>2012</u>		<u>Total</u>	
	<u>General Fund Unrestricted</u>	<u>General Fund Restricted</u>	<u>General Fund Unrestricted</u>	<u>General Fund Restricted</u>	<u>2013</u>	<u>2012</u>
APPROPRIATIONS AND REVENUES						
Appropriations						
General Fund	\$ 35,963,244	\$ -	\$ 34,703,512	\$ -	\$ 35,963,244	\$ 34,703,512
Cash Fund and Reappropriated Funds	1,082,881	-	1,288,403	-	1,082,881	1,288,403
Total Appropriations	<u>37,046,125</u>	<u>-</u>	<u>35,991,915</u>	<u>-</u>	<u>37,046,125</u>	<u>35,991,915</u>
Revenues						
Miscellaneous revenues						
Audit reimbursements	147,830	-	267,027	-	147,830	267,027
Interest income	-	3,056	-	57,658	3,056	57,658
Miscellaneous	38,183	12,898	44,733	-	51,081	44,733
TOTAL APPROPRIATIONS AND REVENUES	<u>37,232,138</u>	<u>15,954</u>	<u>36,303,675</u>	<u>57,658</u>	<u>37,248,092</u>	<u>36,361,333</u>
EXPENDITURES						
Compensation	25,484,685	-	24,677,625	23,683	25,484,685	24,701,308
Purchased services	3,133,525	424,913	3,371,727	294,304	3,558,438	3,666,031
Operating expenditures	3,424,734	1,200,078	3,232,071	356,604	4,624,812	3,588,675
Travel and subsistence	1,243,679	4,231	1,089,545	20,338	1,247,910	1,109,883
Capital outlay	46,107	16,834	111,257	18,000	62,941	129,257
Debt service	-	-	94,973	-	-	94,973
TOTAL EXPENDITURES	<u>33,332,730</u>	<u>1,646,056</u>	<u>32,577,198</u>	<u>712,929</u>	<u>34,978,786</u>	<u>33,290,127</u>
EXCESS (DEFICIENCY) OF APPROPRIATIONS AND REVENUES OVER EXPENDITURES	<u>3,899,408</u>	<u>(1,630,102)</u>	<u>3,726,477</u>	<u>(655,271)</u>	<u>2,269,306</u>	<u>3,071,206</u>
OTHER FINANCING SOURCES (USES)						
Operating transfer in (out)	(3,643,276)	3,643,276	(3,253,701)	3,253,701	-	-
Reversion of non-augmenting revenue	(186,013)	-	(311,760)	-	(186,013)	(311,760)
Reversion of Cash / Reappropriated appropriation	(64,294)	-	(148,298)	-	(64,294)	(148,298)
TOTAL OTHER FINANCING SOURCES (USES)	<u>(3,893,583)</u>	<u>3,643,276</u>	<u>(3,713,759)</u>	<u>3,253,701</u>	<u>(250,307)</u>	<u>(460,058)</u>
NET CHANGE IN FUND BALANCE	5,825	2,013,174	12,718	2,598,430	2,018,999	2,611,148
FUND BALANCE, BEGINNING OF YEAR	(1,897,088)	7,589,628	(1,909,806)	4,991,198	5,692,540	3,081,392
FUND BALANCE, END OF YEAR	<u>\$ (1,891,263)</u>	<u>\$ 9,602,802</u>	<u>\$ (1,897,088)</u>	<u>\$ 7,589,628</u>	<u>\$ 7,711,539</u>	<u>\$ 5,692,540</u>

STATE OF COLORADO - LEGISLATIVE DEPARTMENT
COMBINING BALANCE SHEET - GENERAL FUND UNRESTRICTED

June 30, 2013

	<u>General Assembly</u>	<u>Joint Budget Committee</u>	<u>Legislative Council</u>	<u>Office of the State Auditor</u>	<u>Office of Legislative Legal Services</u>	<u>Total General Fund Unrestricted</u>
ASSETS						
Cash	\$ 1,372,905	\$ 31,684	\$ 884,073	\$ 752,005	\$ 330,857	\$ 3,371,524
Accounts receivable	-	-	-	114,019	988	115,007
Interdepartmental receivables	-	-	-	153,575	-	153,575
Prepaid expenses	-	-	33,735	35,385	-	69,120
TOTAL ASSETS	<u>\$ 1,372,905</u>	<u>\$ 31,684</u>	<u>\$ 917,808</u>	<u>\$ 1,054,984</u>	<u>\$ 331,845</u>	<u>\$ 3,709,226</u>
LIABILITIES						
Accounts payable	\$ 115,553	\$ 17,425	\$ 77,661	\$ 156,786	\$ 215,497	\$ 582,922
Intradepartmental payables	1,257,352	14,259	840,147	898,198	116,348	3,126,304
Accrued liabilities	506,898	118,628	433,108	448,045	384,584	1,891,263
TOTAL LIABILITIES	<u>1,879,803</u>	<u>150,312</u>	<u>1,350,916</u>	<u>1,503,029</u>	<u>716,429</u>	<u>5,600,489</u>
(DEFICIT) FUND BALANCES						
Non-spendable						
Prepays	-	-	33,735	35,385	-	69,120
Unassigned	(506,898)	(118,628)	(466,843)	(483,430)	(384,584)	(1,960,383)
(DEFICIT) FUND BALANCES	<u>(506,898)</u>	<u>(118,628)</u>	<u>(433,108)</u>	<u>(448,045)</u>	<u>(384,584)</u>	<u>(1,891,263)</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 1,372,905</u>	<u>\$ 31,684</u>	<u>\$ 917,808</u>	<u>\$ 1,054,984</u>	<u>\$ 331,845</u>	<u>\$ 3,709,226</u>

STATE OF COLORADO - LEGISLATIVE DEPARTMENT
COMBINING BALANCE SHEET - GENERAL FUND UNRESTRICTED

June 30, 2012

	<u>General Assembly</u>	<u>Joint Budget Committee</u>	<u>Legislative Council</u>	<u>Office of the State Auditor</u>	<u>Office of Legislative Legal Services</u>	<u>Total General Fund Unrestricted</u>
ASSETS						
Cash	\$ 1,285,064	\$ 52,031	\$ 1,012,569	\$ (15,086)	\$ 506,590	\$ 2,841,168
Accounts receivable	3,555	-	76	16,760	347	20,738
Interdepartmental receivables	-	-	-	291,612	-	291,612
Prepaid expenses	-	-	21,662	45,938	-	67,600
TOTAL ASSETS	<u>\$ 1,288,619</u>	<u>\$ 52,031</u>	<u>\$ 1,034,307</u>	<u>\$ 339,224</u>	<u>\$ 506,937</u>	<u>\$ 3,221,118</u>
LIABILITIES						
Accounts payable	\$ 78,096	\$ 4,477	\$ 108,834	\$ 173,873	\$ 141,109	\$ 506,389
Intradepartmental payables	1,210,523	47,554	925,473	165,351	365,828	2,714,729
Accrued liabilities	528,172	118,678	411,068	466,042	373,128	1,897,088
TOTAL LIABILITIES	<u>1,816,791</u>	<u>170,709</u>	<u>1,445,375</u>	<u>805,266</u>	<u>880,065</u>	<u>5,118,206</u>
(DEFICIT) FUND BALANCES						
Nonspendable						
Prepays	-	-	21,662	45,938	-	67,600
Unassigned	(528,172)	(118,678)	(432,730)	(511,980)	(373,128)	(1,964,688)
(DEFICIT) FUND BALANCES	<u>(528,172)</u>	<u>(118,678)</u>	<u>(411,068)</u>	<u>(466,042)</u>	<u>(373,128)</u>	<u>(1,897,088)</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 1,288,619</u>	<u>\$ 52,031</u>	<u>\$ 1,034,307</u>	<u>\$ 339,224</u>	<u>\$ 506,937</u>	<u>\$ 3,221,118</u>

STATE OF COLORADO - LEGISLATIVE DEPARTMENT
 COMBINING SCHEDULE OF APPROPRIATIONS, REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - GENERAL FUND
 UNRESTRICTED

For the Year Ended June 30, 2013

	General Assembly	Joint Budget Committee	Legislative Council	Office of the State Auditor	Office of Legislative Legal Services	Total General Fund Unrestricted
APPROPRIATIONS AND REVENUES						
Appropriations						
General Fund	\$ 13,699,958	\$ 1,552,356	\$ 7,996,155	\$ 7,255,338	\$ 5,459,437	\$ 35,963,244
Cash Fund and Reappropriated Funds	93,816	-	-	989,065	-	1,082,881
Total Appropriations	<u>13,793,774</u>	<u>1,552,356</u>	<u>7,996,155</u>	<u>8,244,403</u>	<u>5,459,437</u>	<u>37,046,125</u>
Revenues						
Miscellaneous revenues						
Audit reimbursements	-	-	-	147,830	-	147,830
Miscellaneous	142	-	3,385	-	34,656	38,183
TOTAL APPROPRIATIONS AND REVENUES	<u>13,793,916</u>	<u>1,552,356</u>	<u>7,999,540</u>	<u>8,392,233</u>	<u>5,494,093</u>	<u>37,232,138</u>
EXPENDITURES						
Compensation	8,237,200	1,476,635	5,405,097	5,596,708	4,769,045	25,484,685
Purchased services	574,235	6,410	718,729	1,424,589	409,562	3,133,525
Operating expenditures	2,444,522	54,200	481,987	297,725	146,300	3,424,734
Travel and subsistence	1,186,490	802	17,628	9,121	29,638	1,243,679
Capital outlay	-	-	46,107	-	-	46,107
TOTAL EXPENDITURES	<u>12,442,447</u>	<u>1,538,047</u>	<u>6,669,548</u>	<u>7,328,143</u>	<u>5,354,545</u>	<u>33,332,730</u>
EXCESS OF APPROPRIATIONS AND REVENUES OVER EXPENDITURES	<u>1,351,469</u>	<u>14,309</u>	<u>1,329,992</u>	<u>1,064,090</u>	<u>139,548</u>	<u>3,899,408</u>
OTHER FINANCING USES						
Operating transfer out	(1,265,824)	(14,259)	(1,348,647)	(898,198)	(116,348)	(3,643,276)
Reversion of non-augmenting revenue	(142)	-	(3,385)	(147,830)	(34,656)	(186,013)
Reversion of Cash / Reappropriated appropriation	(64,229)	-	-	(65)	-	(64,294)
TOTAL OTHER FINANCING USES	<u>(1,330,195)</u>	<u>(14,259)</u>	<u>(1,352,032)</u>	<u>(1,046,093)</u>	<u>(151,004)</u>	<u>(3,893,583)</u>
NET CHANGE IN FUND BALANCE	21,274	50	(22,040)	17,997	(11,456)	5,825
(DEFICIT) FUND BALANCE, BEGINNING OF YEAR	(528,172)	(118,678)	(411,068)	(466,042)	(373,128)	(1,897,088)
(DEFICIT) FUND BALANCE, END OF YEAR	<u>\$ (506,898)</u>	<u>\$ (118,628)</u>	<u>\$ (433,108)</u>	<u>\$ (448,045)</u>	<u>\$ (384,584)</u>	<u>\$ (1,891,263)</u>

STATE OF COLORADO - LEGISLATIVE DEPARTMENT
 COMBINING SCHEDULE OF APPROPRIATIONS, REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - GENERAL FUND
 UNRESTRICTED

For the Year Ended June 30, 2012

	General Assembly	Joint Budget Committee	Legislative Council	Office of the State Auditor	Office of Legislative Legal Services	Total General Fund Unrestricted
APPROPRIATIONS AND REVENUES						
Appropriations						
General Fund	\$ 12,999,020	\$ 1,517,502	\$ 7,848,717	\$ 7,066,372	\$ 5,271,901	\$ 34,703,512
Cash Fund and Reappropriated Funds	93,816	-	250,000	944,587	-	1,288,403
Total Appropriations	<u>13,092,836</u>	<u>1,517,502</u>	<u>8,098,717</u>	<u>8,010,959</u>	<u>5,271,901</u>	<u>35,991,915</u>
Revenues						
Miscellaneous revenues						
Audit reimbursements	-	-	-	267,027	-	267,027
Miscellaneous	8,328	-	8,200	-	28,205	44,733
TOTAL APPROPRIATIONS AND REVENUES	<u>13,101,164</u>	<u>1,517,502</u>	<u>8,106,917</u>	<u>8,277,986</u>	<u>5,300,106</u>	<u>36,303,675</u>
EXPENDITURES						
Compensation	7,882,199	1,447,609	5,204,994	5,648,269	4,494,554	24,677,625
Purchased services	561,555	120	794,392	1,788,977	226,683	3,371,727
Operating expenditures	2,265,809	22,507	475,851	304,501	163,403	3,232,071
Travel and subsistence	1,035,685	924	19,289	4,398	29,249	1,089,545
Capital outlay	-	-	95,577	15,680	-	111,257
Debt service	-	-	94,973	-	-	94,973
TOTAL EXPENDITURES	<u>11,745,248</u>	<u>1,471,160</u>	<u>6,685,076</u>	<u>7,761,825</u>	<u>4,913,889</u>	<u>32,577,198</u>
EXCESS OF APPROPRIATIONS AND REVENUES OVER EXPENDITURES	<u>1,355,916</u>	<u>46,342</u>	<u>1,421,841</u>	<u>516,161</u>	<u>386,217</u>	<u>3,726,477</u>
OTHER FINANCING USES						
Operating transfer	(1,218,995)	(47,554)	(1,455,973)	(165,351)	(365,828)	(3,253,701)
Reversion of non-augmenting revenue	(8,328)	-	(8,200)	(267,027)	(28,205)	(311,760)
Reversion of Cash / Reappropriated appropriation	(56,986)	-	(16,700)	(74,612)	-	(148,298)
TOTAL OTHER FINANCING USES	<u>(1,284,309)</u>	<u>(47,554)</u>	<u>(1,480,873)</u>	<u>(506,990)</u>	<u>(394,033)</u>	<u>(3,713,759)</u>
NET CHANGE IN FUND BALANCE	71,607	(1,212)	(59,032)	9,171	(7,816)	12,718
(DEFICIT) FUND BALANCE, BEGINNING OF YEAR	(599,779)	(117,466)	(352,036)	(475,213)	(365,312)	(1,909,806)
(DEFICIT) FUND BALANCE, END OF YEAR	<u>\$ (528,172)</u>	<u>\$ (118,678)</u>	<u>\$ (411,068)</u>	<u>\$ (466,042)</u>	<u>\$ (373,128)</u>	<u>\$ (1,897,088)</u>

**STATE OF COLORADO - LEGISLATIVE DEPARTMENT
COMBINING BALANCE SHEET - GENERAL FUND RESTRICTED**

June 30, 2013

	Ballot Information Publication and Distribution Revolving Fund	Legislative Expenses Cash Fund	Youth Advisory Council Cash Fund	Legislative Department Cash Fund	Total General Fund Restricted
ASSETS					
Cash	\$ 3,149,904	\$ 356,496	\$ 275	\$ 3,052,245	\$ 6,558,920
Accounts receivable	-	-	-	2,400	2,400
Intradepartmental receivables	-	-	-	3,126,304	3,126,304
TOTAL ASSETS	\$ 3,149,904	\$ 356,496	\$ 275	\$ 6,180,949	\$ 9,687,624
LIABILITIES					
Accounts payable	\$ 283	\$ 33,376	\$ 213	\$ 50,950	\$ 84,822
TOTAL LIABILITIES	283	33,376	213	50,950	84,822
FUND BALANCES					
Committed	3,149,621	323,120	62	6,129,999	9,602,802
TOTAL LIABILITIES AND FUND BALANCES	\$ 3,149,904	\$ 356,496	\$ 275	\$ 6,180,949	\$ 9,687,624

**STATE OF COLORADO - LEGISLATIVE DEPARTMENT
COMBINING BALANCE SHEET - GENERAL FUND RESTRICTED**

June 30, 2012

	Ballot Information Publication and Distribution Revolving Fund	Legislative Expenses Cash Fund	Youth Advisory Council Cash Fund	Legislative Department Cash Fund	Total General Fund Restricted
ASSETS					
Cash	\$ 3,676,550	\$ 389,432	\$ 6,124	\$ 808,697	\$ 4,880,803
Intradepartmental receivables	-	-	-	2,714,729	2,714,729
TOTAL ASSETS	\$ 3,676,550	\$ 389,432	\$ 6,124	\$ 3,523,426	\$ 7,595,532
LIABILITIES					
Accounts payable	-	-	5,904	-	5,904
TOTAL LIABILITIES	-	-	5,904	-	5,904
FUND BALANCES					
Committed	3,676,550	389,432	220	3,523,426	7,589,628
TOTAL LIABILITIES AND FUND BALANCES	\$ 3,676,550	\$ 389,432	\$ 6,124	\$ 3,523,426	\$ 7,595,532

**STATE OF COLORADO - LEGISLATIVE DEPARTMENT
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
GENERAL FUND RESTRICTED**

For the Year Ended June 30, 2013

	Ballot Information Publication and Distribution Revolving Fund	Legislative Expenses Cash Fund	Youth Advisory Council Cash Fund	Legislative Department Cash Fund	Total General Fund Restricted
REVENUES					
Interest income	\$ (8,520)	\$ (695)	\$ 2	\$ 12,269	\$ 3,056
Miscellaneous revenue	-	-	-	12,898	12,898
TOTAL REVENUES	(8,520)	(695)	2	25,167	15,954
EXPENDITURES					
Compensation	-	-	-	-	-
Purchased services	357,115	65,498	-	2,300	424,913
Operating expenditures	669,794	17	4,503	525,764	1,200,078
Travel and subsistence	-	102	4,129	-	4,231
Capital outlay	-	-	-	16,834	16,834
TOTAL EXPENDITURES	1,026,909	65,617	8,632	544,898	1,646,056
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(1,035,429)	(66,312)	(8,630)	(519,731)	(1,630,102)
OTHER FINANCING SOURCES (USES)					
Operating transfer in (out)	508,500	-	8,472	3,126,304	3,643,276
TOTAL OTHER FINANCING SOURCES (USES)	508,500	-	8,472	3,126,304	3,643,276
NET CHANGE IN FUND BALANCE	(526,929)	(66,312)	(158)	2,606,573	2,013,174
FUND BALANCE, BEGINNING OF YEAR	3,676,550	389,432	220	3,523,426	7,589,628
FUND BALANCE, END OF YEAR	\$ 3,149,621	\$ 323,120	\$ 62	\$ 6,129,999	\$ 9,602,802

STATE OF COLORADO - LEGISLATIVE DEPARTMENT
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
GENERAL FUND RESTRICTED

For the Year Ended June 30, 2012

	Ballot Information Publication and Distribution Revolving Fund	Legislative Expenses Cash Fund	Youth Advisory Council Cash Fund	Legislative Department Cash Fund	Total General Fund Restricted
REVENUES					
Interest income	\$ 45,626	\$ 4,732	\$ 137	\$ 7,163	\$ 57,658
TOTAL REVENUES	45,626	4,732	137	7,163	57,658
EXPENDITURES					
Compensation	-	-	-	23,683	23,683
Purchased services	129,594	-	2,400	162,310	294,304
Operating expenditures	345,264	54	35	11,251	356,604
Travel and subsistence	-	-	6,301	14,037	20,338
Capital outlay	-	-	-	18,000	18,000
TOTAL EXPENDITURES	474,858	54	8,736	229,281	712,929
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(429,232)	4,678	(8,599)	(222,118)	(655,271)
OTHER FINANCING SOURCES					
Operating transfer in	530,500	-	8,472	2,714,729	3,253,701
TOTAL OTHER FINANCING SOURCES	530,500	-	8,472	2,714,729	3,253,701
NET CHANGE IN FUND BALANCE	101,268	4,678	(127)	2,492,611	2,598,430
FUND BALANCE, BEGINNING OF YEAR	3,575,282	384,754	347	1,030,815	4,991,198
FUND BALANCE, END OF YEAR	\$ 3,676,550	\$ 389,432	\$ 220	\$ 3,523,426	\$ 7,589,628

STATE OF COLORADO - LEGISLATIVE DEPARTMENT
COMBINING SCHEDULE OF APPROPRIATIONS - GENERAL FUND

For the Year Ended June 30, 2013

	Initial General Fund Appropriations	Supplemental Appropriations	In (Out) Appropriation Allocations	Rollforward of Prior Year Appropriations	Revised General Fund Appropriations	Cash and Reappropriated Appropriations	Final Adjusted Appropriation
AGENCY							
General Assembly	\$ 14,492,278	\$ 57,265	\$ (849,585)	\$ -	\$ 13,699,958	\$ 93,816	\$ 13,793,774
Joint Budget Committee	1,480,365	-	71,991	-	1,552,356	-	1,552,356
Legislative Council	7,714,838	10,115	271,202	-	7,996,155	-	7,996,155
Office of the State Auditor	6,967,997	5,126	282,215	-	7,255,338	989,065	8,244,403
Office of Legislative Legal Services	5,235,260	-	224,177	-	5,459,437	-	5,459,437
TOTAL	\$ 35,890,738	\$ 72,506	\$ -	\$ -	\$ 35,963,244	\$ 1,082,881	\$ 37,046,125

For the Year Ended June 30, 2012

	Initial General Fund Appropriations	Supplemental Appropriations	In (Out) Appropriation Allocations	Rollforward of Prior Year Appropriations	Revised General Fund Appropriations	Cash and Cash Exempt Appropriations	Final Adjusted Appropriation
AGENCY							
General Assembly	\$ 13,884,021	\$ (173,777)	\$ (711,224)	\$ -	\$ 12,999,020	\$ 93,816	\$ 13,092,836
Joint Budget Committee	1,487,174	(30,634)	60,962	-	1,517,502	-	1,517,502
Legislative Council	7,734,466	(115,405)	229,656	-	7,848,717	250,000	8,098,717
Office of the State Auditor	6,931,402	(117,466)	233,756	18,680	7,066,372	944,587	8,010,959
Office of Legislative Legal Services	5,178,820	(93,769)	186,850	-	5,271,901	-	5,271,901
TOTAL	\$ 35,215,883	\$ (531,051)	\$ -	\$ 18,680	\$ 34,703,512	\$ 1,288,403	\$ 35,991,915



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*

Members of the Legislative Audit Committee:

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 financial statements of each major fund of the Legislative Department of the State of Colorado (the "Department") as of and for the years ended June 30, 2013 and 2012, and the related notes to the financial statements, which collectively comprise the Department's basic financial statements, and have issued our report thereon dated December 9, 2013.

Internal Control Over Financial Reporting

Management of the Department is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered the Department'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 Department's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Department'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 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 Department's financial statements are 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 result of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Anton Collins Mitchell LLP

Denver, Colorado
December 9, 2013



Communication with Those Charged with Governance at the Conclusion of the Audit

Members of the Legislative Audit Committee

We have audited the financial statements of each major fund of the Legislative Department (the "Department") of the State of Colorado (the "State") as of and for the years ended June 30, 2013 and June 30, 2012, and the related notes to the financial statements. Professional standards require that we communicate to you the following information related to our audit.

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Department are described in Note 2 to the financial statements. In Fiscal Year 2013, the Department implemented GASB Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements* and GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*. The implementation of these new statements had no material impact on the Department's financial statements. No other new accounting policies were adopted and the application of existing policies was not changed during Fiscal Year 2013. We noted no transactions entered into by the Department during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimate affecting the Department was:

Capital assets are depreciated using the straight-line method over the estimated useful lives of the related assets, which range from 3 years to 15 years.

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The most significant disclosures affecting the financial statements were:

The disclosure of Appropriations and Revenue in Note 4, Tax, Spending, and Debt Limitations in Note 6, Operating Leases in Note 8, Capital Assets in Note 9, Long-Term Obligations in Note 10, and Pension Plans in Note 11.

The financial statement disclosures are neutral, consistent, and clear.



Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. There were no corrected or uncorrected misstatements identified as part of the audit.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated December 9, 2013.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the governmental unit's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the governmental unit's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

With respect to the supplementary information accompanying the financial statements, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We



compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

This information is intended solely for the use of the Legislative Audit Committee and management of the Legislative Department and is not intended to be, and should not be, used by anyone other than these specified parties.

Very truly yours,

Anton Collins Mitchell LLP

Denver, Colorado
December 9, 2013

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