



Michigan
Office of the Auditor General
REPORT SUMMARY

Financial Audit

Report Number:
 03-140-05

Michigan Legislative Retirement System

October 1, 2002 through September 30, 2004

Released:
 October 2005

A financial audit determines if the financial statements are fairly presented; considers internal control over financial reporting; and determines compliance with State compliance requirements material to the financial statements. This financial audit of the Michigan Legislative Retirement System (MLRS) was conducted as part of the constitutional responsibility of the Office of the Auditor General.

Financial Statements:

Auditor's Report Issued

We issued an unqualified opinion on the MLRS financial statements.

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Internal Control Over Financial Reporting

We did not report any findings related to internal control over financial reporting.

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**Noncompliance or Other Matters
 Material to the Financial Statements**

We did not identify any instances of noncompliance or other matters applicable to the financial statements that are required to be reported under *Government Auditing Standards*.

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Background:

MLRS is a single employer, public employee, defined benefit plan governed by the State of Michigan. MLRS was created by Act 261, P.A. 1957, and provides retirement and ancillary benefits to eligible current and former State legislators. MLRS's financial statements are included as a pension trust fund in the combined financial statements of the State of Michigan.

MLRS operates within the legislative branch of State government. The MLRS Board of Trustees appoints the director who serves as executive secretary to the MLRS Board, with whom the general oversight of MLRS resides. Act 486, P.A. 1996, amended the MLRS enabling statute to mandate that persons elected to the

Michigan Legislature after March 30, 1997, participate in a Statewide defined contribution plan administered by the Department of Management and Budget. Thus, the defined benefit plan is a closed plan. The defined contribution plan operates in a manner similar to a 401(k) plan as part of the State Employees' Defined Contribution Retirement Fund.

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A copy of the full report can be obtained by calling 517.334.8050 or by visiting our Web site at: <http://audgen.michigan.gov>



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