

MICHIGAN LEGISLATURE

**Combining Schedules of Sources and Disposition
of General Fund Authorizations
With Supplemental Schedules**

For the Years Ended September 30, 2010 and 2009

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Independent Auditors' Report

Michigan Legislature
Lansing, Michigan

and

Mr. Thomas H. McTavish, Auditor General
Office of the Auditor General

We have audited the accompanying Combining Schedules of Sources and Disposition of General Fund Authorizations of the Michigan Legislature for the State of Michigan for the years ended September 30, 2010 and 2009. These financial schedules are the responsibility of the Michigan Legislature leadership. Our responsibility is to express an opinion on these financial schedules 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 audits to obtain reasonable assurance about whether the financial schedules are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial schedules. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial schedule presentation. We believe that our audits provide a reasonable basis for our opinion.

As discussed in Note 1, the financial schedules of the Michigan Legislature are intended to present only the sources and disposition of authorizations for the Michigan Legislature's accounts in the State of Michigan's General Fund and does not present fairly the financial position of the State of Michigan.

In our opinion, the financial schedules referred to above presents fairly, in all material respects the Combining Schedules of Sources and Disposition of General Fund Authorizations of the Michigan Legislature for the years ended September 30, 2010 and 2009, in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated February 25, 2011 on our consideration of the Michigan Legislature's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of this report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Yeo & Yeo, P.C.

Alma, Michigan
February 25, 2011

Michigan Legislature
Combining Schedule of Sources and Disposition
of General Fund Authorizations
Year Ended September 30, 2010

	Michigan House of <u>Representatives</u>	Michigan Senate	Legislative Council	Office of the Auditor General	Senate Fiscal Agency	House Fiscal Agency	<u>Total</u>
Sources of authorization							
Legislative appropriations:							
General purpose appropriations	\$ 42,309,700	\$ 26,698,100	\$ 9,790,800	\$ 11,619,936	\$ 2,897,300	\$ 2,897,300	\$ 96,213,136
Legislative automated data processing appropriation	1,822,400	2,294,600	1,237,300	-	-	-	5,354,300
Property management appropriation	7,424,800	1,815,700	2,552,800	-	-	-	11,793,300
New work projects	939,000	-	-	-	-	-	939,000
Adjustments to appropriations							
General purpose appropriations - supplemental decrease	-	-	-	(142,800)	-	-	(142,800)
Authorizations carry forward from prior year	7,637,765	5,744,987	1,323,874	350,223	-	-	15,056,849
Transfers	(500,000)	439,000	-	-	-	-	(61,000)
Miscellaneous revenue:							
Restricted	-	-	327,282	5,522,911	-	-	5,850,193
Intrafund reimbursement	-	-	-	(2,814,641)	-	-	(2,814,641)
Unrestricted	188,542	124,218	-	-	-	-	312,760
Total sources of authorizations	<u>\$ 59,822,207</u>	<u>\$ 37,116,605</u>	<u>\$ 15,232,056</u>	<u>\$ 14,535,629</u>	<u>\$ 2,897,300</u>	<u>\$ 2,897,300</u>	<u>\$ 132,501,097</u>
Disposition of authorizations							
Expenditures	\$ 51,632,396	\$ 30,335,652	\$ 13,502,103	\$ 17,088,823	\$ 2,852,344	\$ 2,897,300	\$ 118,308,618
Less: intrafund expenditure reimbursements	-	-	-	(2,814,641)	-	-	(2,814,641)
Net expenditures	51,632,396	30,335,652	13,502,103	14,274,182	2,852,344	2,897,300	115,493,977
Unexpended authorizations:							
Carried forward to next budget year:							
Encumbrances	2,151	67,735	-	226,549	-	-	296,435
Work projects	8,182,705	6,702,028	1,212,244	34,295	-	-	16,131,272
Restricted revenue	-	-	111,652	-	-	-	111,652
Lapsed authorizations	4,955	11,190	406,057	603	44,956	-	467,761
Total disposition of authorizations	<u>\$ 59,822,207</u>	<u>\$ 37,116,605</u>	<u>\$ 15,232,056</u>	<u>\$ 14,535,629</u>	<u>\$ 2,897,300</u>	<u>\$ 2,897,300</u>	<u>\$ 132,501,097</u>

See Accompanying Notes to Schedule of Sources and Disposition of General Fund Authorizations

Michigan Legislature
Combining Schedule of Sources and Disposition
of General Fund Authorizations
Year Ended September 30, 2009

	Michigan House of Representatives	Michigan Senate	Legislative Council	Office of the Auditor General	Senate Fiscal Agency	House Fiscal Agency	Total
Sources of authorization							
Legislative appropriations:							
General purpose appropriations	\$ 45,515,800	\$ 28,155,100	\$ 10,761,800	\$ 12,549,800	\$ 3,219,200	\$ 3,219,200	\$ 103,420,900
Legislative automated data processing appropriation	2,024,900	2,447,600	1,374,800	-	-	-	5,847,300
Property management appropriation	7,734,200	1,815,700	2,552,800	-	-	-	12,102,700
Adjustments to appropriations							
General purpose appropriations - supplemental decrease	(1,282,400)	-	(415,400)	(502,000)	(128,800)	(128,800)	(2,457,400)
Legislative automated data processing appropriation - supplemental decrease	(81,000)	-	-	-	-	-	(81,000)
Property management appropriation - supplemental decrease	(337,400)	-	-	-	-	-	(337,400)
Authorizations carry forward from prior year	6,058,799	5,993,335	1,452,066	410,547	-	-	13,914,747
Miscellaneous revenue:							
Restricted	-	-	333,929	5,037,882	-	-	5,371,811
Intrafund reimbursement	-	-	-	(2,855,446)	-	-	(2,855,446)
Unrestricted	194,131	98,024	-	-	-	-	292,155
Total sources of authorizations	<u>\$ 59,827,030</u>	<u>\$ 38,509,759</u>	<u>\$ 16,059,995</u>	<u>\$ 14,640,783</u>	<u>\$ 3,090,400</u>	<u>\$ 3,090,400</u>	<u>\$ 135,218,367</u>
Disposition of authorizations							
Expenditures	\$ 52,170,208	\$ 32,739,495	\$ 14,334,987	\$ 17,063,712	\$ 3,079,507	\$ 3,090,400	\$ 122,478,309
Less: intrafund expenditure reimbursements	-	-	-	(2,855,446)	-	-	(2,855,446)
Net expenditures	52,170,208	32,739,495	14,334,987	14,208,266	3,079,507	3,090,400	119,622,863
Unexpended authorizations:							
Carried forward to next budget year:							
Encumbrances	-	72,127	-	105,223	-	-	177,350
Work projects	7,637,765	5,672,860	1,174,152	245,000	-	-	14,729,777
Restricted revenue	-	-	149,722	-	-	-	149,722
Lapsed authorizations	19,057	25,277	401,134	82,294	10,893	-	538,655
Total disposition of authorizations	<u>\$ 59,827,030</u>	<u>\$ 38,509,759</u>	<u>\$ 16,059,995</u>	<u>\$ 14,640,783</u>	<u>\$ 3,090,400</u>	<u>\$ 3,090,400</u>	<u>\$ 135,218,367</u>

See Accompanying Notes to Schedule of Sources and Disposition of General Fund Authorizations

Michigan Legislature
Notes to Schedules of Sources and Disposition
of General Fund Authorizations
September 30, 2010 and 2009

Note 1 – Summary of Significant Accounting Policies

The accounting policies of the Michigan Legislature conform to accounting principles generally accepted in the United States of America as applicable to governmental units. The following is a summary of the significant accounting policies:

a) Reporting Entity

The accompanying schedules of sources and disposition of General Fund authorizations has been prepared in accordance with criteria established by the Governmental Accounting Standards Board for determining the various governmental organizations to be included in the reporting entity. These criteria include oversight responsibility, scope of public service, and special financing relationships.

The accompanying schedules of sources and disposition of General Fund authorizations reports the total funds (general and work/capital project appropriations) available to the Michigan Legislature and related disposition of such funds for the years ended September 30, 2010 and 2009.

Total funds available as reflected in the accompanying schedules of sources and disposition of General Fund authorizations consist of the legislative appropriations, balances carried forward from prior year, adjustments to appropriations, and restricted and unrestricted miscellaneous revenue. The legislative appropriations include funding from other funds within the State. Each year the Senate and the House of Representatives appropriate funds for the various agencies, bureaus, commissions, departments, boards, and institutions of State government. This General Government Appropriations Act includes the general appropriations for the Michigan Legislature. Total expenditures, as reflected in the

accompanying financial schedules, represent the purchase of goods and services, including payroll and expenses of the Michigan Legislature, for which an obligation for payment was incurred by the Michigan Legislature during the period presented. The financial transactions of the Michigan Legislature are accounted for in the State of Michigan's General Fund and are reported in the State of Michigan's Comprehensive Annual Financial Report (SOMCAFR).

The footnotes accompanying these financial schedules include only those disclosures that relate directly to the Michigan Legislature. The SOMCAFR provides more extensive disclosures regarding the State's significant accounting policies and budgeting and budgetary control.

The SOMCAFR also provides more extensive disclosures regarding the State's litigation which may impact the Michigan Legislature.

b) Measurement Focus, Basis of Accounting and Presentation

The financial schedules presented herein have been prepared on the modified accrual basis of accounting. The modified accrual basis of accounting emphasizes the measurement of current financial resource flows. This basis of accounting is more fully described in the SOMCAFR.

c) Sources of Authorizations

Adjustments to Appropriations - Represents any adjustments to the original appropriation bill and transfers among agencies.

Michigan Legislature
Notes to Schedules of Sources and Disposition
of General Fund Authorizations
September 30, 2010 and 2009

d) **Unexpended Authorizations**

Encumbrances – Represents written commitments entered into with vendors and suppliers by September 15 that are carried forward to increase the spending authorizations of the subsequent year.

Work Project – Represents a one-time recurring project undertaken for the purpose of accomplishing a specific objective contained in a budget appropriation designated as a “work project.” The Senate and House Appropriation Committees must be notified of appropriations designated as work projects. The appropriation committees have 30 days to disapprove such projects. Unused spending authority in these accounts may carry forward if the requirements of Act 431, Section 451 of 1984, as amended, are met.

Capital Outlay – Represents a project or facility financed either in whole or in part with State funds, including lease purchase agreements, to demolish, construct, renovate, or equip a building or facility for which total project costs exceed \$1,000,000. Unused spending authority in these accounts may carry forward if the requirements of Act 431, Section 248 of 1984, as amended, are met. There were no capital outlay carry forwards for the two year period ended September 30, 2010 and 2009.

Restricted Revenue – Revenue earned for which the use is restricted to a specific purpose and may be carried forward to future years until expended for the specific purpose.

and \$7,525,937 for 2009. These amounts represent an estimated liability to be paid in future periods in accordance with the specific policies of each agency. The estimated liability includes the House of Representatives, Senate, Legislative Council, Office of the Auditor General, Senate Fiscal Agency, and House Fiscal Agency and is not reflected in the expenditures of these schedules.

Note 2 – Accumulated Employee Benefits

The accumulated employee benefits due State Legislative employees is estimated at \$7,586,190 for September 30, 2010



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Michigan Legislature
Lansing, Michigan

and

Mr. Thomas H. McTavish, Auditor General
Office of the Auditor General

We have audited the Combining Schedules of Sources and Disposition of General Fund Authorizations of the Michigan Legislature for the State of Michigan for the years ended September 30, 2010 and 2009. Our audits were made for the purpose of forming an opinion on the Combining Schedules of Sources and Disposition of General Fund Authorizations taken as a whole. The additional information listed as supplemental schedules in the table of contents is presented for purposes of additional analysis and is not a required part of the Combining Schedules of Sources and Disposition of the General Fund Authorizations of the Michigan Legislature. This information has been subjected to the procedures applied in the audit of the Schedules of Sources and Disposition of General Fund Authorizations and, in our opinion, is fairly stated in all material respects to the Combining Schedules of Sources and Disposition of General Fund Authorizations taken as a whole.

Yeo & Yeo, P.C.

Alma, Michigan
February 25, 2011

Michigan Legislature
Combining Schedule of Expenditures
Year Ended September 30, 2010

	Michigan House of <u>Representatives</u>	Michigan Senate	Legislative Council	Office of the Auditor General	Senate Fiscal Agency	House Fiscal Agency	Total
Salaries and wages (1)	\$ 28,576,179	\$ 17,902,175	\$ 7,241,905	\$ 10,226,149	\$ 1,610,273	\$ 1,769,706	\$ 67,326,387
FICA and retirement	6,621,011	4,827,557	2,547,039	3,553,200	574,672	574,377	18,697,856
Group insurance	5,598,154	3,556,072	1,477,596	1,666,540	281,151	278,173	12,857,686
Member's SOCC (2) expenses and mileage	1,807,140	616,761	-	-	-	-	2,423,901
Rentals, leases, and utilities	5,570,837	1,289,104	1,655,803	535,934	217,651	56,192	9,325,521
Fees and purchased services	303,212	310,323	636,731	54,790	62,524	171,600	1,539,180
Office supplies and printing	517,024	305,731	543,499	666,803	24,727	8,576	2,066,360
Parking	-	-	-	8,190	-	-	8,190
Travel	12,357	36,019	18,968	92,605	4,617	2,754	167,320
Telephone	411,989	268,000	214,481	17,857	16,101	18,185	946,613
Insurance and bonds	52,250	119	49,866	-	-	78	102,313
Dues and subscriptions	163,566	82,001	17,307	51,189	14,997	16,527	345,587
Postage	1,219,837	315,044	3,525	2,784	608	578	1,542,376
Maintenance	613,272	374,333	294,593	115,091	2,834	228	1,400,351
Education and training	3,828	1,800	9,603	96,117	1,388	-	112,736
Expenditure reimbursements	-	-	(1,417,981)	-	-	-	(1,417,981)
Equipment and furnishings	161,740	450,613	209,168	1,574	40,801	326	864,222
Total	<u>\$ 51,632,396</u>	<u>\$ 30,335,652</u>	<u>\$13,502,103</u>	<u>\$ 17,088,823</u>	<u>\$ 2,852,344</u>	<u>\$ 2,897,300</u>	<u>\$ 118,308,618</u>

(1) This includes flex plan benefits, which amounted to \$ 1,110,934 for 2010.

(2) SOCC - State Officers Compensation Commission

Michigan Legislature
Combining Schedule of Expenditures
Year Ended September 30, 2009

	Michigan House of <u>Representatives</u>	Michigan Senate	Legislative Council	Office of the Auditor General	Senate Fiscal Agency	House Fiscal Agency	Total
Salaries and wages (1)	\$ 29,739,968	\$ 19,514,155	\$ 7,641,758	\$ 10,666,497	\$ 1,806,508	\$ 1,950,897	\$ 71,319,783
FICA and retirement	6,809,726	5,126,074	2,587,978	3,478,766	611,217	616,841	19,230,602
Group insurance	4,179,249	3,457,304	1,630,879	1,698,399	328,891	313,135	11,607,857
Member's SOCC (2) expenses and mileage	1,890,802	613,491	-	-	-	-	2,504,293
Rentals, leases, and utilities	5,636,442	1,321,192	1,631,506	497,319	220,502	53,655	9,360,616
Fees and purchased services	301,533	356,276	659,192	65,657	51,783	107,431	1,541,872
Office supplies and printing	643,402	445,246	600,578	436,978	16,867	9,350	2,152,421
Parking	-	-	-	11,650	-	-	11,650
Travel	21,885	76,055	23,858	31,960	5,536	2,797	162,091
Telephone	436,971	311,621	224,885	12,802	16,686	18,331	1,021,296
Insurance and bonds	51,035	121	67,491	-	-	80	118,727
Dues and subscriptions	165,974	132,071	104,657	43,473	16,977	16,099	479,251
Postage	993,387	452,000	4,455	2,099	403	834	1,453,178
Maintenance	919,936	450,735	352,678	69,805	1,692	227	1,795,073
Education and training	12,993	2,490	11,704	48,169	2,445	580	78,381
Expenditure reimbursements	-	-	(1,465,443)	-	-	-	(1,465,443)
Equipment and furnishings	366,905	480,664	258,811	138	-	143	1,106,661
Total	<u>\$ 52,170,208</u>	<u>\$ 32,739,495</u>	<u>\$ 14,334,987</u>	<u>\$ 17,063,712</u>	<u>\$ 3,079,507</u>	<u>\$ 3,090,400</u>	<u>\$ 122,478,309</u>

(1) This includes flex plan benefits, which amounted to \$ 1,651,520 for 2009.

(2) SOCC - State Officers Compensation Commission

Michigan Legislature
Michigan House of Representatives
Schedule of Sources and Disposition
Years Ended September 30, 2010 and 2009

	2010	2009
Sources of authorization		
Legislative appropriations:		
General purpose appropriations	\$ 42,309,700	\$ 45,515,800
Legislative automated data processing appropriation	1,822,400	2,024,900
Property management appropriation	7,424,800	7,734,200
New work projects	939,000	-
Authorizations carry forward from prior year	7,637,765	6,058,799
Adjustments to appropriations		
General purpose appropriations - supplemental decrease	-	(1,282,400)
Legislative automated data processing appropriation - supplemental decrease	-	(81,000)
Property management appropriation - supplemental decrease	-	(337,400)
Transfers	(500,000)	-
Miscellaneous revenue:		
Unrestricted	188,542	194,131
Total sources of authorizations	\$ 59,822,207	\$ 59,827,030
Disposition of authorizations		
Expenditures	\$ 51,632,396	\$ 52,170,208
Unexpended authorizations:		
Carried forward to next budget year:		
Encumbrances	2,151	-
Work projects	8,182,705	7,637,765
Lapsed authorizations	4,955	19,057
Total disposition of authorizations	\$ 59,822,207	\$ 59,827,030

Michigan Legislature
Michigan House of Representatives
Schedule of Expenditures
Years Ended September 30, 2010 and 2009

	<u>2010</u>	<u>2009</u>
Salaries and wages (1)	\$ 28,576,179	\$ 29,739,968
FICA and retirement	6,621,011	6,809,726
Group insurance	5,598,154	4,179,249
Member's SOCC (2) expenses and mileage	1,807,140	1,890,802
Rentals, leases, and utilities	5,570,837	5,636,442
Fees and purchased services	303,212	301,533
Office supplies and printing	517,024	643,402
Travel	12,357	21,885
Telephone	411,989	436,971
Insurance and bonds	52,250	51,035
Dues and subscriptions	163,566	165,974
Postage	1,219,837	993,387
Maintenance	613,272	919,936
Education and training	3,828	12,993
Equipment and furnishings	<u>161,740</u>	<u>366,905</u>
 Total	 <u>\$ 51,632,396</u>	 <u>\$ 52,170,208</u>

(1) This includes flex plan benefits, which amounted to \$ 818,118 for 2010 and \$ 1,074,796 for 2009.

(2) SOCC - State Officers Compensation Commission

Michigan Legislature
Michigan Senate
Schedule of Sources and Disposition
Years Ended September 30, 2010 and 2009

	2010	2009
Sources of authorization		
Legislative appropriations:		
General purpose appropriations	\$ 26,698,100	\$ 28,155,100
Legislative automated data processing appropriation	2,294,600	2,447,600
Property management appropriation	1,815,700	1,815,700
Authorizations carry forward from prior year	5,744,987	5,993,335
Transfer	439,000	-
Miscellaneous revenue:		
Unrestricted	124,218	98,024
Total sources of authorizations	<u>\$ 37,116,605</u>	<u>\$ 38,509,759</u>
 Disposition of authorizations		
Expenditures	\$ 30,335,652	\$ 32,739,495
Unexpended authorizations:		
Carried forward to next budget year:		
Encumbrances	67,735	72,127
Work projects	6,702,028	5,672,860
Lapsed authorizations	11,190	25,277
Total disposition of authorizations	<u>\$ 37,116,605</u>	<u>\$ 38,509,759</u>

Michigan Legislature
Michigan Senate
Schedule of Expenditures
Years Ended September 30, 2010 and 2009

	<u>2010</u>	<u>2009</u>
Salaries and wages (1)	\$ 17,902,175	\$ 19,514,155
FICA and retirement	4,827,557	5,126,074
Group insurance	3,556,072	3,457,304
Member's SOCC (2) expenses and mileage	616,761	613,491
Rentals, leases, and utilities	1,289,104	1,321,192
Fees and purchased services	310,323	356,276
Office supplies and printing	305,731	445,246
Travel	36,019	76,055
Telephone	268,000	311,621
Insurance and bonds	119	121
Dues and subscriptions	82,001	132,071
Postage	315,044	452,000
Maintenance	374,333	450,735
Education and training	1,800	2,490
Equipment and furnishings	<u>450,613</u>	<u>480,664</u>
Total	<u>\$ 30,335,652</u>	<u>\$ 32,739,495</u>

(1) This includes flex plan benefits, which amounted to \$ 184,654 for 2010 and \$ 439,901 for 2009.

(2) SOCC - State Officers Compensation Commission

Michigan Legislature
Legislative Council
Schedule of Sources and Disposition
Years Ended September 30, 2010 and 2009

	2010	2009
Sources of authorization		
Legislative appropriations:		
General purpose appropriations	\$ 9,790,800	\$ 10,761,800
Legislative automated data processing appropriation	1,237,300	1,374,800
Property management appropriation	2,552,800	2,552,800
Adjustments to appropriations		
General purpose appropriations - supplemental decrease	-	(415,400)
Authorizations carry forward from prior year	1,323,874	1,452,066
Miscellaneous revenue:		
Restricted	327,282	333,929
Total sources of authorizations	\$ 15,232,056	\$ 16,059,995
Disposition of authorizations		
Expenditures	\$ 13,502,103	\$ 14,334,987
Unexpended authorizations:		
Carried forward to next budget year:		
Work projects	1,212,244	1,174,152
Restricted revenue	111,652	149,722
Lapsed authorizations	406,057	401,134
Total disposition of authorizations	\$ 15,232,056	\$ 16,059,995

Michigan Legislature
Legislative Council
Schedule of Expenditures
Years Ended September 30, 2010 and 2009

	<u>2010</u>	<u>2009</u>
Salaries and wages (1)	\$ 7,241,905	\$ 7,641,758
FICA and retirement	2,547,039	2,587,978
Group insurance	1,477,596	1,630,879
Rentals, leases, and utilities	1,655,803	1,631,506
Fees and purchased services	636,731	659,192
Office supplies and printing	543,499	600,578
Travel	18,968	23,858
Telephone	214,481	224,885
Insurance and bonds	49,866	67,491
Dues and subscriptions	17,307	104,657
Postage	3,525	4,455
Maintenance	294,593	352,678
Education and training	9,603	11,704
Expenditure reimbursement	(1,417,981)	(1,465,443)
Equipment and furnishings	<u>209,168</u>	<u>258,811</u>
Total	<u>\$ 13,502,103</u>	<u>\$ 14,334,987</u>

(1) This includes flex plan benefits, which amounted to \$ 18,571 for 2010 and \$ 22,233 for 2009.

Michigan Legislature
Office of the Auditor General
Schedule of Sources and Disposition
Years Ended September 30, 2010 and 2009

	<u>2010</u>	<u>2009</u>
Sources of authorization		
Legislative appropriations:		
General purpose appropriations	\$ 11,619,936	\$ 12,549,800
Adjustments to appropriation		
General purpose appropriations - supplemental decrease	(142,800)	(502,000)
Authorizations carry forward from prior year	350,223	410,547
Miscellaneous revenue:		
Restricted	5,522,911	5,037,882
Intrafund reimbursement	<u>(2,814,641)</u>	<u>(2,855,446)</u>
Total sources of authorizations	<u>\$ 14,535,629</u>	<u>\$ 14,640,783</u>
Disposition of authorizations		
Expenditures	\$ 17,088,823	\$ 17,063,712
Less: intrafund expenditure reimbursements	<u>(2,814,641)</u>	<u>(2,855,446)</u>
Net expenditures	14,274,182	14,208,266
Unexpended authorizations:		
Carried forward to next budget year:		
Encumbrances	226,549	105,223
Work projects	34,295	245,000
Lapsed authorizations	<u>603</u>	<u>82,294</u>
Total disposition of authorizations	<u>\$ 14,535,629</u>	<u>\$ 14,640,783</u>

Michigan Legislature
Office of the Auditor General
Schedule of Expenditures
Years Ended September 30, 2010 and 2009

	<u>2010</u>	<u>2009</u>
Salaries and wages (1)	\$ 10,226,149	\$ 10,666,497
FICA and retirement	3,553,200	3,478,766
Group insurance	1,666,540	1,698,399
Rentals, leases, and utilities	535,934	497,319
Fees and purchased services	54,790	65,657
Office supplies and printing	666,803	436,978
Parking	8,190	11,650
Travel	92,605	31,960
Telephone	17,857	12,802
Dues and subscriptions	51,189	43,473
Postage	2,784	2,099
Maintenance	115,091	69,805
Education and training	96,117	48,169
Equipment and furnishings	<u>1,574</u>	<u>138</u>
Total	<u>\$ 17,088,823</u>	<u>\$ 17,063,712</u>

(1) This includes flex plan benefits, which amounted to \$ 17,193 for 2010 and \$ 17,131 for 2009.

Michigan Legislature
Senate Fiscal Agency
Schedule of Sources and Disposition
Years Ended September 30, 2010 and 2009

	<u>2010</u>	<u>2009</u>
Sources of authorization		
Legislative appropriations:		
General purpose appropriations	\$ 2,897,300	\$ 3,219,200
Adjustments to appropriation		
General purpose appropriations - supplemental decrease	-	(128,800)
Total sources of authorizations	<u>\$ 2,897,300</u>	<u>\$ 3,090,400</u>
 Disposition of authorizations		
Expenditures	\$ 2,852,344	\$ 3,079,507
Lapsed authorizations	44,956	10,893
Total disposition of authorizations	<u>\$ 2,897,300</u>	<u>\$ 3,090,400</u>

Michigan Legislature
Senate Fiscal Agency
Schedule of Expenditures
Years Ended September 30, 2010 and 2009

	<u>2010</u>	<u>2009</u>
Salaries and wages (1)	\$ 1,610,273	\$ 1,806,508
FICA and retirement	574,672	611,217
Group insurance	281,151	328,891
Rentals, leases, and utilities	217,651	220,502
Fees and purchased services	62,524	51,783
Office supplies and printing	24,727	16,867
Travel	4,617	5,536
Telephone	16,101	16,686
Dues and subscriptions	14,997	16,977
Postage	608	403
Maintenance	2,834	1,692
Education and training	1,388	2,445
Equipment and furnishings	<u>40,801</u>	<u>-</u>
Total	<u>\$ 2,852,344</u>	<u>\$ 3,079,507</u>

(1) This includes flex plan benefits, which amounted to \$ 24,409 for 2010 and \$ 28,070 for 2009.

Michigan Legislature
House Fiscal Agency
Schedule of Sources and Disposition
Years Ended September 30, 2010 and 2009

	2010	2009
Sources of authorization		
Legislative appropriations:		
General purpose appropriations	\$ 2,897,300	\$ 3,219,200
Adjustments to appropriations		
General purpose appropriations - supplemental decrease	-	(128,800)
Total sources of authorizations	\$ 2,897,300	\$ 3,090,400
 Disposition of authorizations		
Expenditures	\$ 2,897,300	\$ 3,090,400

Michigan Legislature
House Fiscal Agency
Schedule of Expenditures
Years Ended September 30, 2010 and 2009

	<u>2010</u>	<u>2009</u>
Salaries and wages (1)	\$ 1,769,706	\$ 1,950,897
FICA and retirement	574,377	616,841
Group insurance	278,173	313,135
Rentals, leases, and utilities	56,192	53,655
Fees and purchased services	171,600	107,431
Office supplies and printing	8,576	9,350
Travel	2,754	2,797
Telephone	18,185	18,331
Insurance and bonds	78	80
Dues and subscriptions	16,527	16,099
Postage	578	834
Maintenance	228	227
Education and training	-	580
Equipment and furnishings	<u>326</u>	<u>143</u>
 Total	 <u>\$ 2,897,300</u>	 <u>\$ 3,090,400</u>

(1) This includes flex plan benefits, which amounted to \$ 47,989 for 2010 and \$ 69,389 for 2009.

**Independent Auditors' 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***

Michigan Legislature
Lansing, Michigan

and

Mr. Thomas H. McTavish, Auditor General
Office of the Auditor General

We have audited the Combining Schedules of Sources and Disposition of General Fund Authorizations of the Michigan Legislature, for the State of Michigan, for the years ended September 30, 2010 and 2009, and have issued our report thereon dated February 25, 2011. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Michigan Legislature's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial schedules, but not for the purpose of expressing an opinion on the effectiveness of the Michigan Legislature's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Michigan Legislature'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 would not be prevented, or detected and corrected on a timely basis.

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

Compliance and Other Matters

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

This report is intended solely for the information and use of management, others within the entity and the Office of the Auditor General, State of Michigan, and is not intended to be and should not be used by anyone other than these specified parties.

Yeo & Yeo, P.C.

Alma, Michigan
February 25, 2011