

**MICHIGAN LEGISLATURE**

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

**For the Years Ended September 30, 2006 and 2005**

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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 Schedule of Sources and Disposition of General Fund Authorizations of the Michigan Legislature for the State of Michigan for the years ended September 30, 2006 and 2005. This financial schedule is the responsibility of the Michigan Legislature leadership. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes 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. We believe that our audit provides a reasonable basis for our opinion.

As discussed in Note 1, the financial schedule of the Michigan Legislature is 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 schedule referred to above presents fairly, in all material respects the Sources and Disposition of General Fund Authorizations of the Michigan Legislature for the years ended September 30, 2006 and 2005, 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 December 19, 2006 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 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 conjunction with this report in considering the results of our audit.

*Yeo & Yeo, P.C.*

Alma, Michigan  
December 19, 2006

**Michigan Legislature**  
**Combining Schedule of Sources and Disposition**  
**of General Fund Authorizations**  
**Year Ended September 30, 2006**

	Michigan House of Representatives	Michigan Senate	Legislative Council	Office of the Auditor General	Senate Fiscal Agency	House Fiscal Agency	Total
<b>Sources of authorization</b>							
Legislative appropriations:							
General purpose appropriations	\$ 45,743,200	\$ 29,543,100	\$ 10,717,000	\$ 15,477,500	\$ 3,144,400	\$ 3,042,600	\$ 107,667,800
Legislative automated data processing appropriation	2,079,200	2,618,000	1,411,700	-	-	-	6,108,900
Property management appropriation	7,963,400	944,200	2,305,700	-	-	-	11,213,300
Authorizations carry forward from prior year	3,158,594	8,349,774	3,284,612	782,199	-	-	15,575,179
Transfers	18,531	-	-	-	-	(18,531)	-
Miscellaneous revenue:							
Restricted	-	-	278,044	1,032,750	-	-	1,310,794
Unrestricted	49,451	60,929	-	-	-	806	111,186
<b>Total sources of authorizations</b>	<b><u>\$ 59,012,376</u></b>	<b><u>\$ 41,516,003</u></b>	<b><u>\$ 17,997,056</u></b>	<b><u>\$ 17,292,449</u></b>	<b><u>\$ 3,144,400</u></b>	<b><u>\$ 3,024,875</u></b>	<b><u>\$ 141,987,159</u></b>
<b>Disposition of authorizations</b>							
Expenditures	\$ 54,188,107	\$ 33,445,240	\$ 14,130,537	\$ 16,644,377	\$ 3,078,378	\$ 3,024,875	\$ 124,511,514
Unexpended authorizations:							
Carried forward to next budget year:							
Encumbrances	225,831	237,365	-	507,514	-	-	970,710
Work projects	4,598,438	7,826,555	3,323,462	30,000	-	-	15,778,455
Restricted revenue	-	-	139,150	-	-	-	139,150
Lapsed authorizations	-	6,843	403,907	110,558	66,022	-	587,330
<b>Total disposition of authorizations</b>	<b><u>\$ 59,012,376</u></b>	<b><u>\$ 41,516,003</u></b>	<b><u>\$ 17,997,056</u></b>	<b><u>\$ 17,292,449</u></b>	<b><u>\$ 3,144,400</u></b>	<b><u>\$ 3,024,875</u></b>	<b><u>\$ 141,987,159</u></b>

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, 2005**

	Michigan House of Representatives	Michigan Senate	Legislative Council	Office of the Auditor General	Senate Fiscal Agency	House Fiscal Agency	Total
<b>Sources of authorization</b>							
Legislative appropriations:							
General purpose appropriations	\$ 44,846,300	\$ 28,963,800	\$ 10,311,200	\$ 15,233,800	\$ 3,082,800	\$ 2,982,900	\$ 105,420,800
Legislative automated data processing appropriation	2,010,700	2,538,900	1,383,600	-	-	-	5,933,200
Property management appropriation	7,807,300	925,700	2,260,500	-	-	-	10,993,500
Authorizations carry forward from prior year	1,137,458	6,477,383	3,611,930	380,470	-	-	11,607,241
Transfers	109,682	-	-	-	-	(109,682)	-
Miscellaneous revenue:							
Restricted	-	-	356,676	845,910	-	-	1,202,586
Unrestricted	62,938	75,119	-	-	-	900	138,957
<b>Total sources of authorizations</b>	<b><u>\$ 55,974,378</u></b>	<b><u>\$ 38,980,902</u></b>	<b><u>\$ 17,923,906</u></b>	<b><u>\$ 16,460,180</u></b>	<b><u>\$ 3,082,800</u></b>	<b><u>\$ 2,874,118</u></b>	<b><u>\$ 135,296,284</u></b>
<b>Disposition of authorizations</b>							
Expenditures	\$ 52,308,124	\$ 30,598,984	\$ 14,235,807	\$ 15,271,899	\$ 2,937,216	\$ 2,874,118	\$ 118,226,148
Unexpended authorizations:							
Carried forward to next budget year:							
Encumbrances	112,192	718,930	-	782,199	-	-	1,613,321
Work projects	3,046,402	7,630,844	3,161,517	-	-	-	13,838,763
Restricted revenue	-	-	123,095	-	-	-	123,095
Lapsed authorizations	507,660	32,144	403,487	406,082	145,584	-	1,494,957
<b>Total disposition of authorizations</b>	<b><u>\$ 55,974,378</u></b>	<b><u>\$ 38,980,902</u></b>	<b><u>\$ 17,923,906</u></b>	<b><u>\$ 16,460,180</u></b>	<b><u>\$ 3,082,800</u></b>	<b><u>\$ 2,874,118</u></b>	<b><u>\$ 135,296,284</u></b>

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



**Michigan Legislature**  
**Notes to Schedule of Sources and Disposition**  
**of General Fund Authorizations**  
**September 30, 2006 and 2005**

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**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 schedule 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 schedule 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, 2006 and 2005.

Total funds available as reflected in the accompanying schedule 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 schedule, 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's Comprehensive Annual Financial Report (SOMCAFR).

The footnotes accompanying this financial schedule 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.

**Michigan Legislature**  
**Notes to Schedule of Sources and Disposition**  
**of General Fund Authorizations**  
**September 30, 2006 and 2005**

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b) **MEASUREMENT FOCUS, BASIS OF ACCOUNTING AND PRESENTATION**

The financial schedule presented herein has 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.

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, 2006 and 2005.

**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.

NOTE 2 - ACCUMULATED EMPLOYEE BENEFITS

The accumulated employee benefits due State Legislative employees is estimated at \$7,952,000 for September 30, 2006 and \$7,684,000 for 2005. 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 this schedule.



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Michigan Legislature  
Lansing, Michigan

and

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

We have audited the Schedule of Sources and Disposition of General Fund Authorizations of the Michigan Legislature for the State of Michigan for the years ended September 30, 2006 and 2005. Our audit was made for the purpose of forming an opinion on the Schedule 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 Schedule 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 Schedule of Sources and Disposition of General Fund Authorizations and, in our opinion, is fairly stated in all material respects to the Schedule of Sources and Disposition of General Fund Authorizations taken as a whole.

*Yeo & Yeo, P.C.*

Alma, Michigan  
December 19, 2006

**Michigan Legislature**  
**Combining Schedule of Expenditures**  
**Year Ended September 30, 2006**

	Michigan House of Representatives	Michigan Senate	Legislative Council	Office of the Auditor General	Senate Fiscal Agency	House Fiscal Agency	Total
Salaries and wages (1)	\$ 28,740,445	\$ 19,063,023	\$ 7,731,615	\$ 9,946,030	\$ 1,778,131	\$ 1,948,002	\$ 69,207,246
FICA and retirement	6,530,001	4,847,583	2,425,562	3,034,609	561,480	597,625	17,996,860
Group insurance	4,308,970	3,178,726	1,436,715	1,556,371	266,629	298,006	11,045,417
Member's SOCC (2) expenses and mileage	1,777,492	649,904	-	-	-	-	2,427,396
Rentals, leases, and utilities	7,129,594	589,764	1,490,089	480,216	214,100	62,226	9,965,989
Fees and purchased services	702,951	343,583	690,463	114,555	60,413	44,090	1,956,055
Office supplies and printing	721,722	866,566	603,092	1,129,439	23,890	12,600	3,357,309
Travel	43,233	62,049	25,744	134,005	4,925	3,315	273,271
Telephone	558,259	357,180	289,445	14,692	16,360	18,371	1,254,307
Insurance and bonds	1,713	304	66,809	-	-	79	68,905
Dues and subscriptions	168,441	121,544	286,272	49,186	147,243	16,320	789,006
Postage	1,437,477	690,264	11,270	4,446	485	1,662	2,145,604
Maintenance	1,069,293	1,687,322	427,698	76,019	1,619	1,983	3,263,934
Education and training	29,949	11,113	24,815	68,502	3,103	560	138,042
Expenditure reimbursements	-	-	(1,595,162)	-	-	-	(1,595,162)
Equipment and furnishings	968,567	976,315	216,110	36,307	-	20,036	2,217,335
<b>Total</b>	<b>\$ 54,188,107</b>	<b>\$ 33,445,240</b>	<b>\$ 14,130,537</b>	<b>\$ 16,644,377</b>	<b>\$ 3,078,378</b>	<b>\$ 3,024,875</b>	<b>\$ 124,511,514</b>

(1) This includes flex plan benefits, which amounted to \$ 1,497,147 for 2006.

(2) SOCC - State Officers Compensation Commission

**Michigan Legislature**  
**Combining Schedule of Expenditures**  
**Year Ended September 30, 2005**

	Michigan House of Representatives	Michigan Senate	Legislative Council	Office of the Auditor General	Senate Fiscal Agency	House Fiscal Agency	Total
Salaries and wages (1)	\$ 29,012,380	\$ 18,898,244	\$ 7,610,768	\$ 9,497,209	\$1,660,789	\$ 1,877,962	\$ 68,557,352
FICA and retirement	6,261,618	4,614,843	2,244,948	2,806,097	496,962	538,709	16,963,177
Group insurance	3,731,222	3,025,089	1,328,599	1,361,875	270,623	283,919	10,001,327
Member's SOCC (2) expenses and mileage	1,756,452	611,956	-	-	-	-	2,368,408
Rentals, leases, and utilities	6,993,237	557,483	1,466,303	450,370	258,149	76,383	9,801,925
Fees and purchased services	653,051	269,230	1,211,960	115,476	58,329	42,751	2,350,797
Office supplies and printing	541,703	593,444	709,794	664,269	24,067	10,541	2,543,818
Travel	65,283	89,901	29,686	125,684	2,909	1,926	315,389
Telephone	577,134	359,725	336,058	17,409	14,985	17,864	1,323,175
Insurance and bonds	1,659	117	104,590	-	-	77	106,443
Dues and subscriptions	178,583	118,382	133,980	41,710	142,013	17,325	631,993
Postage	864,973	618,352	4,479	4,976	630	1,792	1,495,202
Maintenance	1,058,803	416,237	473,507	79,842	1,899	156	2,030,444
Education and training	35,370	2,090	23,964	64,926	4,478	2,975	133,803
Expenditure reimbursements	-	-	(1,615,783)	-	-	-	(1,615,783)
Equipment and furnishings	576,656	423,891	172,954	42,056	1,383	1,738	1,218,678
<b>Total</b>	<b>\$ 52,308,124</b>	<b>\$ 30,598,984</b>	<b>\$14,235,807</b>	<b>\$ 15,271,899</b>	<b>\$2,937,216</b>	<b>\$ 2,874,118</b>	<b>\$ 118,226,148</b>

(1) This includes flex plan benefits, which amounted to \$ 1,573,432 for 2005.

(2) SOCC - State Officers Compensation Commission

**Michigan Legislature**  
**Michigan House of Representatives**  
**Schedule of Sources and Disposition**  
**Years Ended September 30, 2006 and 2005**

	2006	2005
<b>Sources of authorization</b>		
Legislative appropriations:		
General purpose appropriations	\$ 45,743,200	\$ 44,846,300
Legislative automated data processing appropriation	2,079,200	2,010,700
Property management appropriation	7,963,400	7,807,300
Authorizations carry forward from prior year	3,158,594	1,137,458
Transfers	18,531	109,682
Miscellaneous revenue:		
Unrestricted	49,451	62,938
Total sources of authorizations	\$ 59,012,376	\$ 55,974,378
<b>Disposition of authorizations</b>		
Expenditures	\$ 54,188,107	\$ 52,308,124
Unexpended authorizations:		
Carried forward to next budget year:		
Encumbrances	225,831	112,192
Work projects	4,598,438	3,046,402
Lapsed authorizations	-	507,660
Total disposition of authorizations	\$ 59,012,376	\$ 55,974,378

**Michigan Legislature**  
**Michigan House of Representatives**  
**Schedule of Expenditures**  
**Years Ended September 30, 2006 and 2005**

	<u>2006</u>	<u>2005</u>
Salaries and wages (1)	\$ 28,740,445	\$ 29,012,380
FICA and retirement	6,530,001	6,261,618
Group insurance	4,308,970	3,731,222
Member's SOCC (2) expenses and mileage	1,777,492	1,756,452
Rentals, leases, and utilities	7,129,594	6,993,237
Fees and purchased services	702,951	653,051
Office supplies and printing	721,722	541,703
Travel	43,233	65,283
Telephone	558,259	577,134
Insurance and bonds	1,713	1,659
Dues and subscriptions	168,441	178,583
Postage	1,437,477	864,973
Maintenance	1,069,293	1,058,803
Education and training	29,949	35,370
Equipment and furnishings	<u>968,567</u>	<u>576,656</u>
 Total	 <u>\$ 54,188,107</u>	 <u>\$ 52,308,124</u>

(1) This includes flex plan benefits, which amounted to \$ 1,109,554 for 2006 and \$ 1,124,652 for 2005.

(2) SOCC - State Officers Compensation Commission

**Michigan Legislature**  
**Michigan Senate**  
**Schedule of Sources and Disposition**  
**Years Ended September 30, 2006 and 2005**

	2006	2005
<b>Sources of authorization</b>		
Legislative appropriations:		
General purpose appropriations	\$ 29,543,100	\$ 28,963,800
Legislative automated data processing appropriation	2,618,000	2,538,900
Property management appropriation	944,200	925,700
Authorizations carry forward from prior year	8,349,774	6,477,383
Miscellaneous revenue:		
Unrestricted	60,929	75,119
Total sources of authorizations	\$ 41,516,003	\$ 38,980,902
 <b>Disposition of authorizations</b>		
Expenditures	\$ 33,445,240	\$ 30,598,984
Unexpended authorizations:		
Carried forward to next budget year:		
Encumbrances	237,365	718,930
Work projects	7,826,555	7,630,844
Lapsed authorizations	6,843	32,144
Total disposition of authorizations	\$ 41,516,003	\$ 38,980,902

**Michigan Legislature**  
**Michigan Senate**  
**Schedule of Expenditures**  
**Years Ended September 30, 2006 and 2005**

	<u>2006</u>	<u>2005</u>
Salaries and wages (1)	\$ 19,063,023	\$ 18,898,244
FICA and retirement	4,847,583	4,614,843
Group insurance	3,178,726	3,025,089
Member's SOCC (2) expenses and mileage	649,904	611,956
Rentals, leases, and utilities	589,764	557,483
Fees and purchased services	343,583	269,230
Office supplies and printing	866,566	593,444
Travel	62,049	89,901
Telephone	357,180	359,725
Insurance and bonds	304	117
Dues and subscriptions	121,544	118,382
Postage	690,264	618,352
Maintenance	1,687,322	416,237
Education and training	11,113	2,090
Equipment and furnishings	<u>976,315</u>	<u>423,891</u>
 Total	 <u>\$ 33,445,240</u>	 <u>\$ 30,598,984</u>

(1) This includes flex plan benefits, which amounted to \$ 254,524 for 2006 and \$ 277,540 for 2005.

(2) SOCC - State Officers Compensation Commission

**Michigan Legislature**  
**Legislative Council**  
**Schedule of Sources and Disposition**  
**Years Ended September 30, 2006 and 2005**

	<u>2006</u>	<u>2005</u>
<b>Sources of authorization</b>		
Legislative appropriations:		
General purpose appropriations	\$ 10,717,000	\$ 10,311,200
Legislative automated data processing appropriation	1,411,700	1,383,600
Property management appropriation	2,305,700	2,260,500
Authorizations carry forward from prior year	3,284,612	3,611,930
Miscellaneous revenue:		
Restricted	278,044	356,676
Total sources of authorizations	<u>\$ 17,997,056</u>	<u>\$ 17,923,906</u>
<b>Disposition of authorizations</b>		
Expenditures	\$ 14,130,537	\$ 14,235,807
Unexpended authorizations:		
Carried forward to next budget year:		
Work projects	3,323,462	3,161,517
Restricted revenue	139,150	123,095
Lapsed authorizations	403,907	403,487
Total disposition of authorizations	<u>\$ 17,997,056</u>	<u>\$ 17,923,906</u>

**Michigan Legislature**  
**Legislative Council**  
**Schedule of Expenditures**  
**Years Ended September 30, 2006 and 2005**

	<u>2006</u>	<u>2005</u>
Salaries and wages (1)	\$ 7,731,615	\$ 7,610,768
FICA and retirement	2,425,562	2,244,948
Group insurance	1,436,715	1,328,599
Rentals, leases, and utilities	1,490,089	1,466,303
Fees and purchased services	690,463	1,211,960
Office supplies and printing	603,092	709,794
Travel	25,744	29,686
Telephone	289,445	336,058
Insurance and bonds	66,809	104,590
Dues and subscriptions	286,272	133,980
Postage	11,270	4,479
Maintenance	427,698	473,507
Education and training	24,815	23,964
Expenditure reimbursement	(1,595,162)	(1,615,783)
Equipment and furnishings	<u>216,110</u>	<u>172,954</u>
 Total	 <u>\$ 14,130,537</u>	 <u>\$ 14,235,807</u>

(1) This includes flex plan benefits, which amounted to \$ 26,882 for 2006 and \$ 23,455 for 2005.

**Michigan Legislature**  
**Office of the Auditor General**  
**Schedule of Sources and Disposition**  
**Years Ended September 30, 2006 and 2005**

	2006	2005
<b>Sources of authorization</b>		
Legislative appropriations:		
General purpose appropriations	\$ 15,477,500	\$ 15,233,800
Authorizations carry forward from prior year	782,199	380,470
Miscellaneous revenue:		
Restricted	1,032,750	845,910
Total sources of authorizations	\$ 17,292,449	\$ 16,460,180
 <b>Disposition of authorizations</b>		
Expenditures	\$ 16,644,377	\$ 15,271,899
Unexpended authorizations:		
Carried forward to next budget year:		
Encumbrances	507,514	782,199
Work projects	30,000	-
Lapsed authorizations	110,558	406,082
Total disposition of authorizations	\$ 17,292,449	\$ 16,460,180

**Michigan Legislature**  
**Office of the Auditor General**  
**Schedule of Expenditures**  
**Years Ended September 30, 2006 and 2005**

	<u>2006</u>	<u>2005</u>
Salaries and wages (1)	\$ 9,946,030	\$ 9,497,209
FICA and retirement	3,034,609	2,806,097
Group insurance	1,556,371	1,361,875
Rentals, leases, and utilities	480,216	450,370
Fees and purchased services	114,555	115,476
Office supplies and printing	1,129,439	664,269
Travel	134,005	125,684
Telephone	14,692	17,409
Dues and subscriptions	49,186	41,710
Postage	4,446	4,976
Maintenance	76,019	79,842
Education and training	68,502	64,926
Equipment and furnishings	<u>36,307</u>	<u>42,056</u>
 Total	 <u>\$ 16,644,377</u>	 <u>\$ 15,271,899</u>

(1) This includes flex plan benefits, which amounted to \$ 18,386 for 2006 and \$ 17,908 for 2005.

**Michigan Legislature**  
**Senate Fiscal Agency**  
**Schedule of Sources and Disposition**  
**Years Ended September 30, 2006 and 2005**

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	<u>2006</u>	<u>2005</u>
<b>Sources of authorization</b>		
Legislative appropriations:		
General purpose appropriations	\$ 3,144,400	\$ 3,082,800
<b>Disposition of authorizations</b>		
Expenditures	\$ 3,078,378	\$ 2,937,216
Lapsed authorizations	66,022	145,584
Total disposition of authorizations	<u>\$ 3,144,400</u>	<u>\$ 3,082,800</u>

**Michigan Legislature**  
**Senate Fiscal Agency**  
**Schedule of Expenditures**  
**Years Ended September 30, 2006 and 2005**

	<u>2006</u>	<u>2005</u>
Salaries and wages (1)	\$ 1,778,131	\$ 1,660,789
FICA and retirement	561,480	496,962
Group insurance	266,629	270,623
Rentals, leases, and utilities	214,100	258,149
Fees and purchased services	60,413	58,329
Office supplies and printing	23,890	24,067
Travel	4,925	2,909
Telephone	16,360	14,985
Dues and subscriptions	147,243	142,013
Postage	485	630
Maintenance	1,619	1,899
Education and training	3,103	4,478
Equipment and furnishings	<u>-</u>	<u>1,383</u>
 Total	 <u>\$ 3,078,378</u>	 <u>\$ 2,937,216</u>

(1) This includes flex plan benefits, which amounted to \$ 19,234 for 2006 and \$ 62,862 for 2005.

**Michigan Legislature**  
**House Fiscal Agency**  
**Schedule of Sources and Disposition**  
**Years Ended September 30, 2006 and 2005**

	2006	2005
<b>Sources of authorization</b>		
Legislative appropriations:		
General purpose appropriations	\$ 3,042,600	\$ 2,982,900
Transfers	(18,531)	(109,682)
Miscellaneous revenue:		
Unrestricted	806	900
Total sources of authorizations	\$ 3,024,875	\$ 2,874,118
 <b>Disposition of authorizations</b>		
Expenditures	\$ 3,024,875	\$ 2,874,118

**Michigan Legislature**  
**House Fiscal Agency**  
**Schedule of Expenditures**  
**Years Ended September 30, 2006 and 2005**

	<u>2006</u>	<u>2005</u>
Salaries and wages (1)	\$ 1,948,002	\$ 1,877,962
FICA and retirement	597,625	538,709
Group insurance	298,006	283,919
Rentals, leases, and utilities	62,226	76,383
Fees and purchased services	44,090	42,751
Office supplies and printing	12,600	10,541
Travel	3,315	1,926
Telephone	18,371	17,864
Insurance and bonds	79	77
Dues and subscriptions	16,320	17,325
Postage	1,662	1,792
Maintenance	1,983	156
Education and training	560	2,975
Equipment and furnishings	<u>20,036</u>	<u>1,738</u>
 Total	 <u>\$ 3,024,875</u>	 <u>\$ 2,874,118</u>

(1) This includes flex plan benefits, which amounted to \$ 68,567 for 2006 and \$ 67,015 for 2005.

**Independent Auditors' Report on Internal Control  
Over Financial Reporting and on Compliance and Other Matters  
Based on an Audit 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 Schedule of Sources and Disposition of General Fund Authorizations of the Michigan Legislature, for the State of Michigan, for the years ended September 30, 2006 and 2005, and have issued our report thereon dated December 19, 2006. 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 Fund's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide an opinion on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

## Compliance

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

This report is intended solely for the information and use of management and the Office of 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  
December 19, 2006