

MICHIGAN LEGISLATURE

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

For the Years Ended September 30, 2008 and 2007

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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, 2008 and 2007. 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 provides 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, 2008 and 2007, 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 January 30, 2009 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
January 30, 2009

Michigan Legislature
Combining Schedule of Sources and Disposition
of General Fund Authorizations
Year Ended September 30, 2008

	Michigan House of <u>Representatives</u>	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	\$ 29,126,400	\$ 10,245,000	\$ 15,828,200	\$ 3,219,200	\$ 3,219,200	\$ 107,153,800
Legislative automated data processing appropriation	2,024,900	2,549,600	1,374,800	-	-	-	5,949,300
Property management appropriation	8,763,600	1,567,900	2,363,700	-	-	-	12,695,200
New work projects	104,000	-	-	-	-	-	104,000
Adjustments to appropriations							
General purpose appropriations - supplemental decrease	(214,642)	(161,800)	(295,900)	-	-	(21,619)	(693,961)
Authorizations carry forward from prior year	3,590,475	6,475,087	2,220,308	281,294	-	-	12,567,164
Transfers	-	104,000	-	-	-	-	104,000
Miscellaneous revenue:							
Restricted	-	-	283,400	1,411,755	-	-	1,695,155
Unrestricted	185,244	115,397	-	-	-	750	301,391
Total sources of authorizations	<u>\$ 59,969,377</u>	<u>\$ 39,776,584</u>	<u>\$ 16,191,308</u>	<u>\$ 17,521,249</u>	<u>\$ 3,219,200</u>	<u>\$ 3,198,331</u>	<u>\$ 139,876,049</u>
Disposition of authorizations							
Expenditures	\$ 53,897,381	\$ 33,771,885	\$ 14,337,155	\$ 17,019,228	\$ 3,089,734	\$ 3,198,331	\$ 125,313,714
Unexpended authorizations:							
Carried forward to next budget year:							
Encumbrances	32,608	6,928	-	180,547	-	-	220,083
Work projects	6,026,191	5,986,407	1,334,633	230,000	-	-	13,577,231
Restricted revenue	-	-	117,433	-	-	-	117,433
Lapsed authorizations	13,197	11,364	402,087	91,474	129,466	-	647,588
Total disposition of authorizations	<u>\$ 59,969,377</u>	<u>\$ 39,776,584</u>	<u>\$ 16,191,308</u>	<u>\$ 17,521,249</u>	<u>\$ 3,219,200</u>	<u>\$ 3,198,331</u>	<u>\$ 139,876,049</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, 2007

	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	\$ 46,893,200	\$ 28,696,000	\$ 10,763,100	\$ 16,347,500	\$ 3,013,500	\$ 3,119,100	\$ 108,832,400
Legislative automated data processing appropriation	2,131,500	2,549,600	1,447,200	-	-	-	6,128,300
Property management appropriation	8,163,600	967,900	2,363,700	-	-	-	11,495,200
New work projects	250,000	-	-	-	-	-	250,000
Adjustments to appropriations							
General purpose appropriations - supplemental decrease	(2,050,000)	-	(1,081,000)	(1,240,400)	-	(122,200)	(4,493,600)
Legislative automated data processing appropriation - supplemental decrease	(106,600)	-	-	-	-	-	(106,600)
Authorizations carry forward from prior year	4,824,269	8,063,920	3,462,020	537,514	-	-	16,887,723
Transfers	(250,000)	-	-	-	-	-	(250,000)
Miscellaneous revenue:							
Restricted	-	-	317,793	1,221,875	-	-	1,539,668
Unrestricted	77,760	81,497	-	-	-	750	160,007
Total sources of authorizations	\$ 59,933,729	\$ 40,358,917	\$ 17,272,813	\$ 16,866,489	\$ 3,013,500	\$ 2,997,650	\$ 140,443,098
Disposition of authorizations							
Expenditures	\$ 56,343,254	\$ 33,878,219	\$ 14,648,044	\$ 16,105,142	\$ 2,986,786	\$ 2,997,650	\$ 126,959,095
Unexpended authorizations:							
Carried forward to next budget year:							
Encumbrances	22,404	29,009	-	251,294	-	-	302,707
Work projects	3,568,071	6,446,078	2,077,525	30,000	-	-	12,121,674
Restricted revenue	-	-	142,783	-	-	-	142,783
Lapsed authorizations	-	5,611	404,461	480,053	26,714	-	916,839
Total disposition of authorizations	\$ 59,933,729	\$ 40,358,917	\$ 17,272,813	\$ 16,866,489	\$ 3,013,500	\$ 2,997,650	\$ 140,443,098

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, 2008 and 2007

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, 2008 and 2007.

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.

Michigan Legislature
Notes to Schedules of Sources and Disposition
of General Fund Authorizations
September 30, 2008 and 2007

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.

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, 2008 and 2007.

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 \$7,695,592 for September 30, 2008 and \$8,043,139 for 2007. 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.



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Michigan Legislature
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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, 2008 and 2007. 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
January 30, 2009

Michigan Legislature
Combining Schedule of Expenditures
Year Ended September 30, 2008

	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)	\$ 29,173,518	\$ 19,772,262	\$ 7,790,330	\$ 10,693,475	\$ 1,829,872	\$ 2,045,646	\$ 71,305,103
FICA and retirement	6,376,878	4,889,749	2,459,411	3,283,770	583,032	618,417	18,211,257
Group insurance	4,030,169	3,820,879	1,664,471	1,827,761	316,919	306,277	11,966,476
Member's SOCC (2) expenses and mileage	1,884,251	629,690	-	-	-	-	2,513,941
Rentals, leases, and utilities	6,935,436	1,235,601	1,591,908	487,681	245,856	52,700	10,549,182
Fees and purchased services	694,909	504,828	642,775	62,572	63,223	126,584	2,094,891
Office supplies and printing	602,431	503,992	598,527	432,187	7,587	11,166	2,155,890
Parking	-	-	-	16,738	-	-	16,738
Travel	16,000	92,533	19,686	18,856	3,981	985	152,041
Telephone	505,309	329,083	229,201	15,794	17,118	18,555	1,115,060
Insurance and bonds	49,340	208	64,876	-	-	84	114,508
Dues and subscriptions	159,359	125,321	138,651	45,904	18,138	15,654	503,027
Postage	1,511,527	486,681	10,653	3,348	441	1,068	2,013,718
Maintenance	1,014,363	466,764	402,986	49,258	2,044	204	1,935,619
Education and training	16,756	5,153	24,548	74,834	1,523	-	122,814
Expenditure reimbursements	-	-	(1,522,144)	-	-	-	(1,522,144)
Equipment and furnishings	927,135	909,141	221,276	7,050	-	991	2,065,593
Total	\$ 53,897,381	\$ 33,771,885	\$ 14,337,155	\$ 17,019,228	\$ 3,089,734	\$ 3,198,331	\$ 125,313,714

(1) This includes flex plan benefits, which amounted to \$ 1,537,227 for 2008.

(2) SOCC - State Officers Compensation Commission

Michigan Legislature
Combining Schedule of Expenditures
Year Ended September 30, 2007

	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)	\$ 30,091,718	\$ 20,396,975	\$ 7,975,063	\$ 10,288,779	\$ 1,862,995	\$ 1,986,622	\$ 72,602,152
FICA and retirement	6,505,002	4,825,881	2,154,194	2,704,286	500,248	517,162	17,206,773
Group insurance	5,459,333	3,761,525	1,617,954	1,677,927	272,407	280,008	13,069,154
Unemployment	-	-	-	-	1,086	-	1,086
Member's SOCC (2) expenses and mileage	1,837,219	618,030	-	-	-	-	2,455,249
Rentals, leases, and utilities	7,133,579	598,985	1,523,168	491,049	239,710	59,449	10,045,940
Fees and purchased services	894,051	329,487	652,011	53,727	50,423	102,928	2,082,627
Office supplies and printing	711,850	695,028	530,368	622,260	13,847	11,395	2,584,748
Travel	31,943	75,982	16,272	49,660	4,185	2,023	180,065
Telephone	531,438	344,909	265,752	15,330	16,449	18,623	1,192,501
Insurance and bonds	1,673	118	50,559	-	-	77	52,427
Dues and subscriptions	177,983	130,670	283,183	48,135	20,721	16,131	676,823
Postage	839,290	537,454	3,685	3,733	628	2,480	1,387,270
Maintenance	1,132,447	471,633	453,289	79,921	2,228	180	2,139,698
Education and training	21,077	598	19,443	22,236	1,859	140	65,353
Expenditure reimbursements	-	-	(1,473,113)	-	-	-	(1,473,113)
Equipment and furnishings	974,651	1,090,944	576,216	48,099	-	432	2,690,342
Total	\$ 56,343,254	\$ 33,878,219	\$ 14,648,044	\$ 16,105,142	\$ 2,986,786	\$ 2,997,650	\$ 126,959,095

(1) This includes flex plan benefits, which amounted to \$ 1,535,297 for 2007.

(2) SOCC - State Officers Compensation Commission

Michigan Legislature
Michigan House of Representatives
Schedule of Sources and Disposition
Years Ended September 30, 2008 and 2007

	2008	2007
Sources of authorization		
Legislative appropriations:		
General purpose appropriations	\$ 45,515,800	\$ 46,893,200
Legislative automated data processing appropriation	2,024,900	2,131,500
Property management appropriation	8,763,600	8,163,600
New work projects	104,000	250,000
Authorizations carry forward from prior year	3,590,475	4,824,269
Adjustments to appropriations		
General purpose appropriations - supplemental decrease	(214,642)	(2,050,000)
Legislative automated data processing appropriation - supplemental decrease	-	(106,600)
Transfers	-	(250,000)
Miscellaneous revenue:		
Unrestricted	185,244	77,760
Total sources of authorizations	\$ 59,969,377	\$ 59,933,729
Disposition of authorizations		
Expenditures	\$ 53,897,381	\$ 56,343,254
Unexpended authorizations:		
Carried forward to next budget year:		
Encumbrances	32,608	22,404
Work projects	6,026,191	3,568,071
Lapsed authorizations	13,197	-
Total disposition of authorizations	\$ 59,969,377	\$ 59,933,729

Michigan Legislature
Michigan House of Representatives
Schedule of Expenditures
Years Ended September 30, 2008 and 2007

	<u>2008</u>	<u>2007</u>
Salaries and wages (1)	\$ 29,173,518	\$ 30,091,718
FICA and retirement	6,376,878	6,505,002
Group insurance	4,030,169	5,459,333
Member's SOCC (2) expenses and mileage	1,884,251	1,837,219
Rentals, leases, and utilities	6,935,436	7,133,579
Fees and purchased services	694,909	894,051
Office supplies and printing	602,431	711,850
Travel	16,000	31,943
Telephone	505,309	531,438
Insurance and bonds	49,340	1,673
Dues and subscriptions	159,359	177,983
Postage	1,511,527	839,290
Maintenance	1,014,363	1,132,447
Education and training	16,756	21,077
Equipment and furnishings	<u>927,135</u>	<u>974,651</u>
 Total	 <u>\$ 53,897,381</u>	 <u>\$ 56,343,254</u>

(1) This includes flex plan benefits, which amounted to \$ 1,116,576 for 2008 and \$ 1,109,921 for 2007.

(2) SOCC - State Officers Compensation Commission

Michigan Legislature
Michigan Senate
Schedule of Sources and Disposition
Years Ended September 30, 2008 and 2007

	2008	2007
Sources of authorization		
Legislative appropriations:		
General purpose appropriations	\$ 29,126,400	\$ 28,696,000
Legislative automated data processing appropriation	2,549,600	2,549,600
Property management appropriation	1,567,900	967,900
Adjustments to appropriations		
General purpose appropriations - supplemental decrease	(161,800)	-
Authorizations carry forward from prior year	6,475,087	8,063,920
Transfer	104,000	-
Miscellaneous revenue:		
Unrestricted	115,397	81,497
Total sources of authorizations	\$ 39,776,584	\$ 40,358,917
Disposition of authorizations		
Expenditures	\$ 33,771,885	\$ 33,878,219
Unexpended authorizations:		
Carried forward to next budget year:		
Encumbrances	6,928	29,009
Work projects	5,986,407	6,446,078
Lapsed authorizations	11,364	5,611
Total disposition of authorizations	\$ 39,776,584	\$ 40,358,917

Michigan Legislature
Michigan Senate
Schedule of Expenditures
Years Ended September 30, 2008 and 2007

	<u>2008</u>	<u>2007</u>
Salaries and wages (1)	\$ 19,772,262	\$ 20,396,975
FICA and retirement	4,889,749	4,825,881
Group insurance	3,820,879	3,761,525
Member's SOCC (2) expenses and mileage	629,690	618,030
Rentals, leases, and utilities	1,235,601	598,985
Fees and purchased services	504,828	329,487
Office supplies and printing	503,992	695,028
Travel	92,533	75,982
Telephone	329,083	344,909
Insurance and bonds	208	118
Dues and subscriptions	125,321	130,670
Postage	486,681	537,454
Maintenance	466,764	471,633
Education and training	5,153	598
Equipment and furnishings	<u>909,141</u>	<u>1,090,944</u>
 Total	 <u>\$ 33,771,885</u>	 <u>\$ 33,878,219</u>

(1) This includes flex plan benefits, which amounted to \$ 286,599 for 2008 and \$ 292,537 for 2007.

(2) SOCC - State Officers Compensation Commission

Michigan Legislature
Legislative Council
Schedule of Sources and Disposition
Years Ended September 30, 2008 and 2007

	<u>2008</u>	<u>2007</u>
Sources of authorization		
Legislative appropriations:		
General purpose appropriations	\$ 10,245,000	\$ 10,763,100
Legislative automated data processing appropriation	1,374,800	1,447,200
Property management appropriation	2,363,700	2,363,700
Adjustments to appropriations		
General purpose appropriations - supplemental decrease	(295,900)	(1,081,000)
Authorizations carry forward from prior year	2,220,308	3,462,020
Miscellaneous revenue:		
Restricted	<u>283,400</u>	<u>317,793</u>
Total sources of authorizations	<u>\$ 16,191,308</u>	<u>\$ 17,272,813</u>
Disposition of authorizations		
Expenditures	\$ 14,337,155	\$ 14,648,044
Unexpended authorizations:		
Carried forward to next budget year:		
Work projects	1,334,633	2,077,525
Restricted revenue	117,433	142,783
Lapsed authorizations	<u>402,087</u>	<u>404,461</u>
Total disposition of authorizations	<u>\$ 16,191,308</u>	<u>\$ 17,272,813</u>

**Michigan Legislature
Legislative Council
Schedule of Expenditures
Years Ended September 30, 2008 and 2007**

	<u>2008</u>	<u>2007</u>
Salaries and wages (1)	\$ 7,790,330	\$ 7,975,063
FICA and retirement	2,459,411	2,154,194
Group insurance	1,664,471	1,617,954
Rentals, leases, and utilities	1,591,908	1,523,168
Fees and purchased services	642,775	652,011
Office supplies and printing	598,527	530,368
Travel	19,686	16,272
Telephone	229,201	265,752
Insurance and bonds	64,876	50,559
Dues and subscriptions	138,651	283,183
Postage	10,653	3,685
Maintenance	402,986	453,289
Education and training	24,548	19,443
Expenditure reimbursement	(1,522,144)	(1,473,113)
Equipment and furnishings	<u>221,276</u>	<u>576,216</u>
 Total	 <u>\$ 14,337,155</u>	 <u>\$ 14,648,044</u>

(1) This includes flex plan benefits, which amounted to \$ 18,891 for 2008 and \$ 24,646 for 2007.

Michigan Legislature
Office of the Auditor General
Schedule of Sources and Disposition
Years Ended September 30, 2008 and 2007

	<u>2008</u>	<u>2007</u>
Sources of authorization		
Legislative appropriations:		
General purpose appropriations	\$ 15,828,200	\$ 16,347,500
Adjustments to appropriation		
General purpose appropriations - supplemental decrease	-	(1,240,400)
Authorizations carry forward from prior year	281,294	537,514
Miscellaneous revenue:		
Restricted	<u>1,411,755</u>	<u>1,221,875</u>
Total sources of authorizations	<u>\$ 17,521,249</u>	<u>\$ 16,866,489</u>
Disposition of authorizations		
Expenditures	\$ 17,019,228	\$ 16,105,142
Unexpended authorizations:		
Carried forward to next budget year:		
Encumbrances	180,547	251,294
Work projects	230,000	30,000
Lapsed authorizations	<u>91,474</u>	<u>480,053</u>
Total disposition of authorizations	<u>\$ 17,521,249</u>	<u>\$ 16,866,489</u>

Michigan Legislature
Office of the Auditor General
Schedule of Expenditures
Years Ended September 30, 2008 and 2007

	2008	2007
Salaries and wages (1)	\$ 10,693,475	\$ 10,288,779
FICA and retirement	3,283,770	2,704,286
Group insurance	1,827,761	1,677,927
Rentals, leases, and utilities	487,681	491,049
Fees and purchased services	62,572	53,727
Office supplies and printing	432,187	622,260
Parking	16,738	-
Travel	18,856	49,660
Telephone	15,794	15,330
Dues and subscriptions	45,904	48,135
Postage	3,348	3,733
Maintenance	49,258	79,921
Education and training	74,834	22,236
Equipment and furnishings	7,050	48,099
 Total	 \$ 17,019,228	 \$ 16,105,142

(1) This includes flex plan benefits, which amounted to \$ 14,601 for 2008 and \$ 17,883 for 2007.

Michigan Legislature
Senate Fiscal Agency
Schedule of Sources and Disposition
Years Ended September 30, 2008 and 2007

	2008	2007
Sources of authorization		
Legislative appropriations:		
General purpose appropriations	\$ 3,219,200	\$ 3,013,500
 Disposition of authorizations		
Expenditures	\$ 3,089,734	\$ 2,986,786
Lapsed authorizations	129,466	26,714
Total disposition of authorizations	\$ 3,219,200	\$ 3,013,500

Michigan Legislature
Senate Fiscal Agency
Schedule of Expenditures
Years Ended September 30, 2008 and 2007

	<u>2008</u>	<u>2007</u>
Salaries and wages (1)	\$ 1,829,872	\$ 1,862,995
FICA and retirement	583,032	500,248
Group insurance	316,919	272,407
Unemployment	-	1,086
Rentals, leases, and utilities	245,856	239,710
Fees and purchased services	63,223	50,423
Office supplies and printing	7,587	13,847
Travel	3,981	4,185
Telephone	17,118	16,449
Dues and subscriptions	18,138	20,721
Postage	441	628
Maintenance	2,044	2,228
Education and training	<u>1,523</u>	<u>1,859</u>
 Total	 <u>\$ 3,089,734</u>	 <u>\$ 2,986,786</u>

(1) This includes flex plan benefits, which amounted to \$ 26,435 for 2008 and \$ 22,671 for 2007.

Michigan Legislature
House Fiscal Agency
Schedule of Sources and Disposition
Years Ended September 30, 2008 and 2007

	<u>2008</u>	<u>2007</u>
Sources of authorization		
Legislative appropriations:		
General purpose appropriations	\$ 3,219,200	\$ 3,119,100
Adjustments to appropriations		
General purpose appropriations - supplemental decrease	(21,619)	(122,200)
Miscellaneous revenue:		
Unrestricted	<u>750</u>	<u>750</u>
Total sources of authorizations	<u>\$ 3,198,331</u>	<u>\$ 2,997,650</u>
 Disposition of authorizations		
Expenditures	<u>\$ 3,198,331</u>	<u>\$ 2,997,650</u>

Michigan Legislature
House Fiscal Agency
Schedule of Expenditures
Years Ended September 30, 2008 and 2007

	<u>2008</u>	<u>2007</u>
Salaries and wages (1)	\$ 2,045,646	\$ 1,986,622
FICA and retirement	618,417	517,162
Group insurance	306,277	280,008
Rentals, leases, and utilities	52,700	59,449
Fees and purchased services	126,584	102,928
Office supplies and printing	11,166	11,395
Travel	985	2,023
Telephone	18,555	18,623
Insurance and bonds	84	77
Dues and subscriptions	15,654	16,131
Postage	1,068	2,480
Maintenance	204	180
Education and training	-	140
Equipment and furnishings	<u>991</u>	<u>432</u>
 Total	 <u>\$ 3,198,331</u>	 <u>\$ 2,997,650</u>

(1) This includes flex plan benefits, which amounted to \$ 74,125 for 2008 and \$ 67,639 for 2007.

**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 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, 2008 and 2007, and have issued our report thereon dated January 30, 2009. 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 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 Fund's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Fund's internal control over financial reporting.

A control deficiency 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 misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial schedules that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial schedules will not be prevented or detected by the entity's internal control.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be 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

As part of obtaining reasonable assurance about whether the Fund'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
January 30, 2009