Michigan Legislature

Combined Statement of Sources and Disposition of General Fund Authorizations with Supplemental Schedules for the Years Ended September 30, 2018 and 2017

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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* 27-29

Plante & Moran, PLLC
Suite 100
1111 Michigan Ave.
East Lansing, MI 48823
Tel: 517.332.6200
Fax: 517.332.8502
plantemoran.com

Independent Auditor's Report

To the Michigan Legislature and
Mr. Doug Ringler, CPA, CIA, Auditor General
Office of the Auditor General

Report on the Financial Statement

We have audited the accompanying combined statement of sources and disposition of General Fund authorizations of the Michigan Legislature for the years ended September 30, 2018 and 2017 and the related notes (the "financial statement").

Management's Responsibility for the Financial Statement

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

Auditor's Responsibility

Our responsibility is to express an opinion on the financial statement 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 statement is free from material misstatement.

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

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

Opinion

In our opinion, the financial statement referred to above presents fairly, in all material respects, the combined statement of sources and disposition of General Fund authorizations of the Michigan Legislature for the years ended September 30, 2018 and 2017 in accordance with accounting principles generally accepted in the United States of America.

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To the Michigan Legislature and
Mr. Doug Ringler, CPA, CIA, Auditor General
Office of the Auditor General

Emphasis of Matter

As discussed in Note 1, the accompanying financial statement of the Michigan Legislature was prepared for the purpose of presenting the combined statement of sources and disposition of the agencies within the State of Michigan's General Fund that comprise the Michigan Legislature, excluding the Legislative Retirement System. This financial statement is intended to present only the sources and disposition of General Fund authorizations for the Michigan Legislature and does not present, nor is it intended to present, the entire activity of the State of Michigan or its General Fund. Our opinion is not modified with respect to this matter.

Other Matter

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statement that collectively comprises the Michigan Legislature's combined statement of sources and disposition of General Fund authorizations. The accompanying supplemental schedules, as listed in the table of contents, are presented for the purpose of additional analysis and are not a required part of the combined statement of sources and disposition of General Fund authorizations of the Michigan Legislature.

The accompanying supplemental schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statement. Such information has been subjected to the auditing procedures applied in the audit of the financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statement or to the financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying supplemental schedules are fairly stated in all material respects in relation to the financial statement as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 7, 2019 on our consideration of the Michigan Legislature's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on 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* in considering the Michigan Legislature's internal control over financial reporting and compliance.

Plante & Moran, PLLC

March 7, 2019

Combined Statement of Sources and Dispositions
Of General Fund Authorizations
Year Ended September 30, 2018

Sources of Authorization		
Legislative appropriations:		
General purpose appropriations	$	134,030,800
Legislative automated data processing appropriation		6,890,000
Property management appropriation		19,799,500
One time appropriations		3,000,000
State restricted revenue appropriations		3,100,000
Adjustments to appropriations:		
General purpose and other appropriations		-
Transfers		-
Authorizations carried forward from prior year		24,728,939
Miscellaneous revenue:		
Restricted		8,035,977
Intrafund reimbursement		(3,058,102)
Unrestricted		160,712
Total sources of authorizations	**$**	**196,687,826**
Disposition of Authorizations		
Expenditures	$	162,508,110
Intrafund expenditure reimbursements		(3,058,102)
Net expenditures		159,450,008
Unexpended authorizations carried forward to next budget year:		
Encumbrances		706,486
Capital outlay		-
Work projects		33,807,811
Restricted revenue		267,234
Lapsed authorizations		2,456,287
Total disposition of authorizations	**$**	**196,687,826**

See Accompanying Notes to Statement of Sources and Disposition of General Fund Authorizations.

Combined Statement of Sources and Dispositions
Of General Fund Authorizations
Year Ended September 30, 2017

Sources of Authorization		
Legislative appropriations:		
General purpose appropriations	$	129,438,400
Legislative automated data processing appropriation		6,126,600
Property management appropriation		14,278,500
One time appropriations		500,000
State restricted revenue appropriations		3,048,000
Adjustments to appropriations:		
General purpose and other appropriations		7,000,000
Transfers		-
Authorizations carried forward from prior year		17,630,334
Miscellaneous revenue:		
Restricted		7,202,006
Intrafund reimbursement		(2,252,643)
Unrestricted		897,024
Total sources of authorizations	**$**	**183,868,221**
Disposition of Authorizations		
Expenditures	$	160,237,497
Intrafund expenditure reimbursements		(2,252,643)
Net expenditures		157,984,854
Unexpended authorizations carried forward to next budget year:		
Encumbrances		240,562
Capital outlay		279,428
Work projects		24,116,638
Restricted revenue		92,269
Lapsed authorizations		1,154,470
Total disposition of authorizations	**$**	**183,868,221**

See Accompanying Notes to Statement of Sources and Disposition of General Fund Authorizations.

Note 1 - Summary of Significant Accounting Policies

The Michigan Legislature follows accounting policies generally accepted in the United States of America (GAAP) as applicable to governmental units. Accounting and financial reporting pronouncements are promulgated by the Governmental Accounting Standards Board (GASB).

Reporting Entity - The accompanying statements of sources and disposition of General Fund authorizations have been prepared for the purpose of presenting the combined statement of sources and disposition of the agencies within the State of Michigan's General Fund that comprise the Michigan Legislature. These financial statements are intended to present only the sources and disposition of General Fund authorizations for the Michigan Legislature and do not present, nor are they intended to present, the entire activity of the State of Michigan or its General Fund. For the purpose of these statements, the Michigan Legislature includes the following agencies: the House of Representatives, the House Fiscal Agency, the Legislative Council, the State Capitol Historic Site, the Senate, the Senate Fiscal Agency, and the Office of the Auditor General. The statements do not include the activity of the Legislative Retirement System.

The accompanying statements of sources and disposition of General Fund authorizations report the total funds (general and work/capital project appropriations) available to the Michigan Legislature and the related disposition of such funds for the years ended September 30, 2018 and 2017.

Total funds available as reflected in the accompanying statements of sources and disposition of General Fund authorizations consist of legislative appropriations to these specific agencies, 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 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 statements, represent the purchase of goods and services, including payroll 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).

Note 1 - Summary of Significant Accounting Policies (Continued)

The notes accompanying these financial statements include only those disclosures that relate directly to the sources and dispositions of General Fund authorizations related to the Michigan Legislature. The SOMCAFR provides more extensive disclosures regarding the State's significant accounting policies and budgetary control.

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

Measurement Focus, Basis of Accounting, and Presentation - The financial statements presented herein have been prepared on the modified accrual basis of accounting. This basis of accounting is intended to better demonstrate accountability for how the Michigan Legislature has spent its resources.

Expenditures are reported when the goods are received or the services are rendered. Capital outlays are reported as expenditures because they reduce the ability to spend resources in the future. In addition, claims and judgments are recorded only when payment is due.

Revenue and appropriations are recognized when collected.

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

Intrafund Reimbursement - Intrafund reimbursements represent monies that are transferred to agencies within the Michigan Legislature from other State of Michigan agencies external to the Michigan Legislature, but included in the General Fund of the State of Michigan. These transactions are presented as such to avoid overstating expenditures and revenue on the SOMCAFR.

Unexpended Authorizations

Encumbrances - Encumbrances represent 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 - 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.

Note 1 - Summary of Significant Accounting Policies (Continued)

Capital Outlay - 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 451 of 1984, as amended, are met.

Restricted Revenue - Restricted revenue is 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 to state legislative employees are estimated at $4,060,500 for September 30, 2018 and $4,096,061 for September 30, 2017. 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, State Capitol Historic Site, Office of the Auditor General, Senate Fiscal Agency, and House Fiscal Agency and is not reflected in the expenditures of these statements.

Supplemental Information

Combining Schedule of Sources and Disposition of General Fund Authorizations

Year Ended September 30, 2018

	Michigan House of Representatives	Michigan Senate	Legislative Council	State Capitol Historic Site	Office of the Auditor General	Senate Fiscal Agency	House Fiscal Agency	Total
Sources of Authorization								
Legislative appropriations:								
General purpose appropriations	$ 55,113,500	$ 35,835,600	$ 14,285,800	$ 4,440,100	$ 16,607,600	$ 3,874,100	$ 3,874,100	$ 134,030,800
Legislative automated data processing appropriation	2,600,000	2,600,000	1,690,000	-	-	-	-	6,890,000
Property management appropriation	11,769,500	8,030,000	-	-	-	-	-	19,799,500
One time appropriations	-	-	3,000,000	-	-	-	-	3,000,000
State restricted revenue appropriations	-	-	-	3,100,000	-	-	-	3,100,000
Adjustments to appropriations:								
General purpose and other appropriations	-	-	-	-	-	-	-	-
Transfers	-	371,534	-	-	-	(371,534)	-	-
Authorizations carried forward from prior year	3,195,768	9,284,502	10,956,782	541,709	750,178	-	-	24,728,939
Miscellaneous revenue:								
Restricted	-	-	50,795	337,846	7,647,336	-	-	8,035,977
Intrafund reimbursement	-	-	-	-	(3,058,102)	-	-	(3,058,102)
Unrestricted	60,672	99,423	-	-	371	-	246	160,712
Total sources of authorizations	**$ 72,739,440**	**$ 56,221,059**	**$ 29,983,377**	**$ 8,419,655**	**$ 21,947,383**	**$ 3,502,566**	**$ 3,874,346**	**$ 196,687,826**
Disposition of Authorizations								
Expenditures	$ 66,366,885	$ 42,677,258	$ 17,837,915	$ 5,938,620	$ 22,310,520	$ 3,502,566	$ 3,874,346	$ 162,508,110
Intrafund expenditure reimbursements	-	-	-	-	(3,058,102)	-	-	(3,058,102)
Net expenditures	66,366,885	42,677,258	17,837,915	5,938,620	19,252,418	3,502,566	3,874,346	159,450,008
Unexpended authorizations carried forward to next budget year:								
Encumbrances	585,987	116,684	-	-	3,815	-	-	706,486
Capital outlay	-	-	-	-	-	-	-	-
Work projects	5,786,568	13,427,117	11,745,459	2,213,801	634,866	-	-	33,807,811
Restricted revenue	-	-	-	267,234	-	-	-	267,234
Lapsed authorizations	-	-	400,003	-	2,056,284	-	-	2,456,287
Total disposition of authorizations	**$ 72,739,440**	**$ 56,221,059**	**$ 29,983,377**	**$ 8,419,655**	**$ 21,947,383**	**$ 3,502,566**	**$ 3,874,346**	**$ 196,687,826**

Michigan Legislature

Combining Schedule of Sources and Disposition of General Fund Authorizations

Year Ended September 30, 2017

	Michigan House of Representatives	Michigan Senate	Legislative Council	State Capitol Historic Site	Office of the Auditor General	Senate Fiscal Agency	House Fiscal Agency	Total
Sources of Authorization								
Legislative appropriations:								
General purpose appropriations	$ 53,095,900	$ 34,523,700	$ 13,866,500	$ 4,269,200	$ 16,123,900	$ 3,779,600	$ 3,779,600	$ 129,438,400
Legislative automated data processing appropriation	2,200,000	2,500,000	1,426,600	-	-	-	-	6,126,600
Property management appropriation	11,426,700	2,851,800	-	-	-	-	-	14,278,500
One time appropriations	-	-	500,000	-	-	-	-	500,000
State restricted revenue appropriations	-	-	-	3,048,000	-	-	-	3,048,000
Adjustments to appropriations:								
General purpose and other appropriations	-	-	6,000,000	1,000,000	-	-	-	7,000,000
Transfers	-	424,678	-	-	-	(424,678)	-	-
Authorizations carried forward from prior year	1,898,753	7,448,337	6,778,985	572,566	879,353	52,340	-	17,630,334
Miscellaneous revenue:								
Restricted	-	-	42,607	278,640	6,880,759	-	-	7,202,006
Intrafund reimbursement	-	-	-	-	(2,252,643)	-	-	(2,252,643)
Unrestricted	746,579	96,572	-	-	53,873	-	-	897,024
Total sources of authorizations	**$ 69,367,932**	**$ 47,845,087**	**$ 28,614,692**	**$ 9,168,406**	**$ 21,685,242**	**$ 3,407,262**	**$ 3,779,600**	**$ 183,868,221**
Disposition of Authorizations								
Expenditures	$ 66,172,164	$ 38,543,763	$ 16,855,084	$ 8,629,565	$ 22,892,110	$ 3,365,211	$ 3,779,600	$ 160,237,497
Intrafund expenditure reimbursements	-	-	-	-	(2,252,643)	-	-	(2,252,643)
Net expenditures	66,172,164	38,543,763	16,855,084	8,629,565	20,639,467	3,365,211	3,779,600	157,984,854
Unexpended authorizations carried forward to next budget year:								
Encumbrances	-	214,567	-	-	25,995	-	-	240,562
Capital outlay	-	-	-	279,428	-	-	-	279,428
Work projects	3,195,768	9,069,935	10,946,699	180,053	724,183	-	-	24,116,638
Restricted revenue	-	-	12,909	79,360	-	-	-	92,269
Lapsed authorizations	-	16,822	800,000	-	295,597	42,051	-	1,154,470
Total disposition of authorizations	**$ 69,367,932**	**$ 47,845,087**	**$ 28,614,692**	**$ 9,168,406**	**$ 21,685,242**	**$ 3,407,262**	**$ 3,779,600**	**$ 183,868,221**

Michigan Legislature

Combining Schedule of Expenditures

Year Ended September 30, 2018

	Michigan House of Representatives	Michigan Senate	Legislative Council	State Capitol Historic Site	Office of the Auditor General	Senate Fiscal Agency	House Fiscal Agency	Total
Salaries and wages	$ 30,034,467	$ 19,969,648	$ 6,898,857	$ 1,635,443	$ 12,169,796	$ 1,826,442	$ 1,844,680	$ 74,379,333
FICA and retirement	13,487,391	9,861,579	3,949,269	734,444	6,722,656	1,015,049	1,029,970	36,800,358
Group insurance	5,629,694	3,393,374	1,169,277	264,379	1,780,204	332,717	273,764	12,843,409
Member's SOCC (1) expenses and mileage	1,640,237	598,770	-	-		-	-	2,239,007
Rentals, leases, and utilities	10,388,221	4,799,521	912,311	878,145	394,169	212,179	36,628	17,621,174
Fees and purchased services	1,606,202	975,618	4,266,158	2,061,738	344,048	64,530	620,116	9,938,410
Office supplies and printing	514,104	729,066	623,774	123,582	286,374	16,199	9,513	2,302,612
Parking	-	-	-	-	6,536	-	-	6,536
Travel	13,186	89,053	33,509	24,937	56,001	2,251	3,157	222,094
Telephone	313,435	219,888	255,075	16,653	14,400	13,684	12,363	845,498
Insurance and bonds	47,227	56,817	8,592	45,406		-	77	158,119
Dues and subscriptions	140,142	94,614	452,314	-	20,403	18,037	23,053	748,563
Postage	1,372,039	931,493	10,744	2,213	1,286	156	67	2,317,998
Maintenance	1,092,503	398,550	179,480	91,030	131,363	1,322	460	1,894,708
Education and training	47,551	30,367	11,230	2,521	165,504	-	10,359	267,532
Expenditure reimbursements	(569,979)	-	(1,185,833)	-	23,015	-	-	(1,732,797)
Equipment and furnishings	610,465	528,900	253,158	58,129	194,765	-	10,139	1,655,556
Total expenditures	**$ 66,366,885**	**$ 42,677,258**	**$ 17,837,915**	**$ 5,938,620**	**$ 22,310,520**	**$ 3,502,566**	**$ 3,874,346**	**$ 162,508,110**

(1) SOCC - State Officer's Compensation Commission

Michigan Legislature

Combining Schedule of Expenditures

Year Ended September 30, 2017

	Michigan House of Representatives	Michigan Senate	Legislative Council	State Capitol Historic Site	Office of the Auditor General	Senate Fiscal Agency	House Fiscal Agency	Total
Salaries and wages	$ 30,229,281	$ 19,363,863	$ 6,803,636	$ 1,407,579	$ 12,282,790	$ 1,752,032	$ 1,789,854	$ 73,629,035
FICA and retirement	13,904,895	9,816,292	3,841,243	793,974	6,988,292	976,144	1,021,748	37,342,588
Group insurance	5,323,669	3,975,856	1,427,824	299,439	2,007,857	306,714	264,680	13,606,039
Member's SOCC (1) expenses and mileage	1,634,822	-		-	-	-	-	1,634,822
Rentals, leases, and utilities	9,931,456	1,440,695	1,135,935	838,261	412,879	210,600	33,644	14,003,470
Fees and purchased services	1,573,463	598,230	3,335,729	840,748	59,159	62,489	623,634	7,093,452
Office supplies and printing	682,755	589,172	472,350	201,533	708,839	16,568	5,229	2,676,446
Parking	-	-		-	7,088	-	-	7,088
Travel	16,550	702,872	51,985	12,953	88,149	4,926	1,937	879,372
Telephone	317,407	220,804	202,248	17,199	40,771	13,647	12,363	824,439
Insurance and bonds	43,677	49,052	1,672	492	-	-	77	94,970
Dues and subscriptions	146,492	96,111	420,583	1,778	59,612	17,265	26,415	768,256
Postage	672,553	689,627	2,184	35,739	3,501	249	19	1,403,872
Maintenance	600,148	400,484	77,018	39,070	65,897	3,116	-	1,185,733
Education and training	2,228	12,307	3,100	50	102,359	-	-	120,044
Expenditure reimbursements	-	-	(1,129,864)	-	-	-	-	(1,129,864)
Equipment and furnishings	1,092,768	588,398	209,441	4,140,750	64,917	1,461	-	6,097,735
Total expenditures	$ 66,172,164	$ 38,543,763	$ 16,855,084	$ 8,629,565	$ 22,892,110	$ 3,365,211	$ 3,779,600	$ 160,237,497

(1) SOCC - State Officer's Compensation Commission

Schedule of Sources and Disposition of General Fund Authorizations

Michigan House of Representatives

	Year Ended September 30, 2018	Year Ended September 30, 2017
Sources of Authorization		
Legislative appropriations:		
General purpose appropriations	$ 55,113,500	$ 53,095,900
Legislative automated data processing appropriation	2,600,000	2,200,000
Property management appropriation	11,769,500	11,426,700
Adjustments to appropriations:		
General purpose and other appropriations	-	-
Transfers	-	-
Authorizations carried forward from prior year	3,195,768	1,898,753
Miscellaneous revenue:		
Restricted	-	-
Intrafund reimbursement	-	-
Unrestricted	60,672	746,579
Total sources of authorizations	**$ 72,739,440**	**$ 69,367,932**
Disposition of Authorizations		
Expenditures	$ 66,366,885	$ 66,172,164
Intrafund expenditure reimbursements	-	-
Net expenditures	66,366,885	66,172,164
Unexpended authorizations carried forward to next budget year:		
Encumbrances	585,987	-
Capital outlay	-	-
Work projects	5,786,568	3,195,768
Restricted revenue	-	-
Lapsed authorizations	-	-
Total disposition of authorizations	**$ 72,739,440**	**$ 69,367,932**

Michigan Legislature

Schedule of Expenditures

Michigan House of Representatives

	Year Ended	
	September 30, 2018	September 30, 2017
Salaries and wages	$ 30,034,467	$ 30,229,281
FICA and retirement	13,487,391	13,904,895
Group insurance	5,629,694	5,323,669
Member's SOCC (1) expenses and mileage	1,640,237	1,634,822
Rentals, leases, and utilities	10,388,221	9,931,456
Fees and purchased services	1,606,202	1,573,463
Office supplies and printing	514,104	682,755
Parking	-	-
Travel	13,186	16,550
Telephone	313,435	317,407
Insurance and bonds	47,227	43,677
Dues and subscriptions	140,142	146,492
Postage	1,372,039	672,553
Maintenance	1,092,503	600,148
Education and training	47,551	2,228
Expenditure reimbursements	(569,979)	-
Equipment and furnishings	610,465	1,092,768
Total expenditures	**$ 66,366,885**	**$ 66,172,164**

(1) SOCC - State Officer's Compensation Commission

Schedule of Sources and Disposition of General Fund Authorizations

Michigan Senate

	Year Ended September 30, 2018	Year Ended September 30, 2017
Sources of Authorization		
Legislative appropriations:		
General purpose appropriations	$ 35,835,600	$ 34,523,700
Legislative automated data processing appropriation	2,600,000	2,500,000
Property management appropriation	8,030,000	2,851,800
Adjustments to appropriations:		
General purpose and other appropriations	-	-
Transfers	371,534	424,678
Authorizations carried forward from prior year	9,284,502	7,448,337
Miscellaneous revenue:		
Restricted	-	-
Intrafund reimbursement	-	-
Unrestricted	99,423	96,572
Total sources of authorizations	**$ 56,221,059**	**$ 47,845,087**
Disposition of Authorizations		
Expenditures	$ 42,677,258	$ 38,543,763
Intrafund expenditure reimbursements	-	-
Net expenditures	42,677,258	38,543,763
Unexpended authorizations carried forward to next budget year:		
Encumbrances	116,684	214,567
Capital outlay	-	-
Work projects	13,427,117	9,069,935
Restricted revenue	-	-
Lapsed authorizations	-	16,822
Total disposition of authorizations	**$ 56,221,059**	**$ 47,845,087**

Schedule of Expenditures

Michigan Senate

	Year Ended	
	September 30, 2018	September 30, 2017
Salaries and wages	$ 19,969,648	$ 19,363,863
FICA and retirement	9,861,579	9,816,292
Group insurance	3,393,374	3,975,856
Member's SOCC (1) expenses and mileage	598,770	-
Rentals, leases, and utilities	4,799,521	1,440,695
Fees and purchased services	975,618	598,230
Office supplies and printing	729,066	589,172
Parking	-	-
Travel	89,053	702,872
Telephone	219,888	220,804
Insurance and bonds	56,817	49,052
Dues and subscriptions	94,614	96,111
Postage	931,493	689,627
Maintenance	398,550	400,484
Education and training	30,367	12,307
Expenditure reimbursements	-	-
Equipment and furnishings	528,900	588,398
Total expenditures	**$ 42,677,258**	**$ 38,543,763**

(1) SOCC - State Officer's Compensation Commission
SOCC expenses were included in travel for 2017

Schedule of Sources and Disposition of General Fund Authorizations

Legislative Council

	Year Ended	
	September 30, 2018	September 30, 2017
Sources of Authorization		
Legislative appropriations:		
General purpose appropriations	$ 14,285,800	$ 13,866,500
Legislative automated data processing appropriation	1,690,000	1,426,600
Property management appropriation	-	-
One time appropriations	3,000,000	500,000
Adjustments to appropriations:		
General purpose and other appropriations	-	6,000,000
Transfers	-	-
Authorizations carried forward from prior year	10,956,782	6,778,985
Miscellaneous revenue:		
Restricted	50,795	42,607
Intrafund reimbursement	-	-
Unrestricted	-	-
Total sources of authorizations	**$ 29,983,377**	**$ 28,614,692**
Disposition of Authorizations		
Expenditures	$ 17,837,915	$ 16,855,084
Intrafund expenditure reimbursements	-	-
Net expenditures	17,837,915	16,855,084
Unexpended authorizations carried forward to next budget year:		
Encumbrances	-	-
Capital outlay	-	-
Work projects	11,745,459	10,946,699
Restricted revenue	-	12,909
Lapsed authorizations	400,003	800,000
Total disposition of authorizations	**$ 29,983,377**	**$ 28,614,692**

Schedule of Expenditures

Legislative Council

	Year Ended	
	September 30, 2018	September 30, 2017
Salaries and wages	$ 6,898,857	$ 6,803,636
FICA and retirement	3,949,269	3,841,243
Group insurance	1,169,277	1,427,824
Member's SOCC (1) expenses and mileage	-	-
Rentals, leases, and utilities	912,311	1,135,935
Fees and purchased services	4,266,158	3,335,729
Office supplies and printing	623,774	472,350
Parking	-	-
Travel	33,509	51,985
Telephone	255,075	202,248
Insurance and bonds	8,592	1,672
Dues and subscriptions	452,314	420,583
Postage	10,744	2,184
Maintenance	179,480	77,018
Education and training	11,230	3,100
Expenditure reimbursements	(1,185,833)	(1,129,864)
Equipment and furnishings	253,158	209,441
Total expenditures	**$ 17,837,915**	**$ 16,855,084**

(1) SOCC - State Officer's Compensation Commission

Schedule of Sources and Disposition of General Fund Authorizations

State Capitol Historic Site

	Year Ended September 30, 2018	Year Ended September 30, 2017
Sources of Authorization		
Legislative appropriations:		
General purpose appropriations	$ 4,440,100	$ 4,269,200
Legislative automated data processing appropriation	-	-
Property management appropriation	-	-
State restricted revenue appropriations	3,100,000	3,048,000
Adjustments to appropriations:		
General purpose and other appropriations	-	1,000,000
Transfers	-	-
Authorizations carried forward from prior year	541,709	572,566
Miscellaneous revenue:		
Restricted	337,846	278,640
Intrafund reimbursement	-	-
Unrestricted	-	-
Total sources of authorizations	**$ 8,419,655**	**$ 9,168,406**
Disposition of Authorizations		
Expenditures	$ 5,938,620	$ 8,629,565
Intrafund expenditure reimbursements	-	-
Net expenditures	5,938,620	8,629,565
Unexpended authorizations carried forward to next budget year:		
Encumbrances	-	-
Capital outlay	-	279,428
Work projects	2,213,801	180,053
Restricted revenue	267,234	79,360
Lapsed authorizations	-	-
Total disposition of authorizations	**$ 8,419,655**	**$ 9,168,406**

Schedule of Expenditures

State Capitol Historic Site

	Year Ended September 30, 2018	Year Ended September 30, 2017
Salaries and wages	$ 1,635,443	$ 1,407,579
FICA and retirement	734,444	793,974
Group insurance	264,379	299,439
Member's SOCC (1) expenses and mileage	-	-
Rentals, leases, and utilities	878,145	838,261
Fees and purchased services	2,061,738	840,748
Office supplies and printing	123,582	201,533
Parking	-	-
Travel	24,937	12,953
Telephone	16,653	17,199
Insurance and bonds	45,406	492
Dues and subscriptions	-	1,778
Postage	2,213	35,739
Maintenance	91,030	39,070
Education and training	2,521	50
Expenditure reimbursements	-	-
Equipment and furnishings	58,129	4,140,750
Total expenditures	**$ 5,938,620**	**$ 8,629,565**

(1) SOCC - State Officer's Compensation Commission

Schedule of Sources and Disposition of General Fund Authorizations

Office of the Auditor General

	Year Ended September 30, 2018	Year Ended September 30, 2017
Sources of Authorization		
Legislative appropriations:		
General purpose appropriations	$ 16,607,600	$ 16,123,900
Legislative automated data processing appropriation	-	-
Property management appropriation	-	-
Adjustments to appropriations:		
General purpose and other appropriations	-	-
Transfers	-	-
Authorizations carried forward from prior year	750,178	879,353
Miscellaneous revenue:		
Restricted	7,647,336	6,880,759
Intrafund reimbursement	(3,058,102)	(2,252,643)
Unrestricted	371	53,873
Total sources of authorizations	**$ 21,947,383**	**$ 21,685,242**
Disposition of Authorizations		
Expenditures	$ 22,310,520	$ 22,892,110
Intrafund expenditure reimbursements	(3,058,102)	(2,252,643)
Net expenditures	19,252,418	20,639,467
Unexpended authorizations carried forward to next budget year:		
Encumbrances	3,815	25,995
Capital outlay	-	-
Work projects	634,866	724,183
Restricted revenue	-	-
Lapsed authorizations	2,056,284	295,597
Total disposition of authorizations	**$ 21,947,383**	**$ 21,685,242**

Schedule of Expenditures

Office of the Auditor General

	Year Ended	
	September 30, 2018	September 30, 2017
Salaries and wages	$ 12,169,796	$ 12,282,790
FICA and retirement	6,722,656	6,988,292
Group insurance	1,780,204	2,007,857
Member's SOCC (1) expenses and mileage	-	-
Rentals, leases, and utilities	394,169	412,879
Fees and purchased services	344,048	59,159
Office supplies and printing	286,374	708,839
Parking	6,536	7,088
Travel	56,001	88,149
Telephone	14,400	40,771
Insurance and bonds	-	-
Dues and subscriptions	20,403	59,612
Postage	1,286	3,501
Maintenance	131,363	65,897
Education and training	165,504	102,359
Expenditure reimbursements	23,015	-
Equipment and furnishings	194,765	64,917
Total expenditures	**$ 22,310,520**	**$ 22,892,110**

(1) SOCC - State Officer's Compensation Commission

Schedule of Sources and Disposition of General Fund Authorizations

Senate Fiscal Agency

	Year Ended September 30, 2018	Year Ended September 30, 2017
Sources of Authorization		
Legislative appropriations:		
General purpose appropriations	$ 3,874,100	$ 3,779,600
Legislative automated data processing appropriation	-	-
Property management appropriation	-	-
Adjustments to appropriations:		
General purpose and other appropriations	-	-
Transfers	(371,534)	(424,678)
Authorizations carried forward from prior year	-	52,340
Miscellaneous revenue:		
Restricted	-	-
Intrafund reimbursement	-	-
Unrestricted	-	-
Total sources of authorizations	**$ 3,502,566**	**$ 3,407,262**
Disposition of Authorizations		
Expenditures	$ 3,502,566	$ 3,365,211
Intrafund expenditure reimbursements	-	-
Net expenditures	3,502,566	3,365,211
Unexpended authorizations carried forward to next budget year:		
Encumbrances	-	-
Capital outlay	-	-
Work projects	-	-
Restricted revenue	-	-
Lapsed authorizations	-	42,051
Total disposition of authorizations	**$ 3,502,566**	**$ 3,407,262**

Schedule of Expenditures

Senate Fiscal Agency

	Year Ended	
	September 30, 2018	September 30, 2017
Salaries and wages	$ 1,826,442	$ 1,752,032
FICA and retirement	1,015,049	976,144
Group insurance	332,717	306,714
Member's SOCC (1) expenses and mileage	-	-
Rentals, leases, and utilities	212,179	210,600
Fees and purchased services	64,530	62,489
Office supplies and printing	16,199	16,568
Parking	-	-
Travel	2,251	4,926
Telephone	13,684	13,647
Insurance and bonds	-	-
Dues and subscriptions	18,037	17,265
Postage	156	249
Maintenance	1,322	3,116
Education and training	-	-
Expenditure reimbursements	-	-
Equipment and furnishings	-	1,461
Total expenditures	**$ 3,502,566**	**$ 3,365,211**

(1) SOCC - State Officer's Compensation Commission

Schedule of Sources and Disposition of General Fund Authorizations

House Fiscal Agency

	Year Ended September 30, 2018	Year Ended September 30, 2017
Sources of Authorization		
Legislative appropriations:		
General purpose appropriations	$ 3,874,100	$ 3,779,600
Legislative automated data processing appropriation	-	-
Property management appropriation	-	-
Adjustments to appropriations:		
General purpose and other appropriations	-	-
Transfers	-	-
Authorizations carried forward from prior year	-	-
Miscellaneous revenue:	-	-
Restricted	-	-
Intrafund reimbursement	-	-
Unrestricted	246	-
Total sources of authorizations	**$ 3,874,346**	**$ 3,779,600**
Disposition of Authorizations		
Expenditures	$ 3,874,346	$ 3,779,600
Intrafund expenditure reimbursements	-	-
Net expenditures	3,874,346	3,779,600
Unexpended authorizations carried forward to next budget year:		
Encumbrances	-	-
Capital outlay	-	-
Work projects	-	-
Restricted revenue	-	-
Lapsed authorizations	-	-
Total disposition of authorizations	**$ 3,874,346**	**$ 3,779,600**

Schedule of Expenditures

House Fiscal Agency

	Year Ended	
	September 30, 2018	September 30, 2017
Salaries and wages	$ 1,844,680	$ 1,789,854
FICA and retirement	1,029,970	1,021,748
Group insurance	273,764	264,680
Member's SOCC (1) expenses and mileage	-	-
Rentals, leases, and utilities	36,628	33,644
Fees and purchased services	620,116	623,634
Office supplies and printing	9,513	5,229
Parking	-	-
Travel	3,157	1,937
Telephone	12,363	12,363
Insurance and bonds	77	77
Dues and subscriptions	23,053	26,415
Postage	67	19
Maintenance	460	-
Education and training	10,359	-
Expenditure reimbursements	-	-
Equipment and furnishings	10,139	-
Total expenditures	**$ 3,874,346**	**$ 3,779,600**

(1) SOCC - State Officer's Compensation Commission

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*

plante moran

Plante & Moran, PLLC
Suite 100
1111 Michigan Ave.
East Lansing, MI 48823
Tel: 517.332.6200
Fax: 517.332.8502
plantemoran.com

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*

Independent Auditor's Report

To Management and the Michigan Legislature and
Mr. Doug Ringler, CPA, CIA, Auditor General
Office of the Auditor General

We have audited, 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, the combined statement of sources and disposition of General Fund authorizations of the Michigan Legislature for the years ended September 30, 2018 and 2017 (the "financial statement") and the related notes to the financial statement and have issued our report thereon dated March 7, 2019.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Michigan Legislature's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Michigan Legislature's internal control. Accordingly, we do not express an opinion on the effectiveness of the Michigan Legislature's internal control.

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 a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the Michigan Legislature's financial statements will not be prevented, or detected and corrected, on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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To Management and the Michigan Legislature and
Mr. Doug Ringler, CPA, CIA, Auditor General
Office of the Auditor General

Compliance and Other Matters

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Michigan Legislature's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Michigan Legislature's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Plante & Moran, PLLC

March 7, 2019