



# OAG

**Doug A. Ringler, CPA, CIA**  
Auditor General

**Office of the Auditor General**

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February 18, 2015

Mr. Tim Bowlin  
Chief Financial Officer/Business Director  
House of Representatives  
Lansing, Michigan

Dear Mr. Bowlin:

Enclosed is a copy of the following audit report:

Michigan Legislature's Combined Schedule of Sources and Disposition of General Fund Authorizations with Supplemental Schedules, from Plante Moran, for the years ended September 30, 2014 and 2013

Sincerely,

A handwritten signature in black ink that reads "Doug Ringler". The signature is written in a cursive, flowing style.

Doug Ringler  
Auditor General

Enclosure

# Michigan Legislature

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## **Combined Schedule of Sources and Disposition of General Fund Authorizations with Supplemental Schedules For the Years Ended September 30, 2014 and 2013**



# Michigan Legislature

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## 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 Statements**

We have audited the accompanying Combined Schedule of Sources and Disposition of General Fund Authorizations of the Michigan Legislature for the State of Michigan as of and for the years ended September 30, 2014 and 2013 and the related notes (the financial schedule).

### ***Management's Responsibility for the Financial Schedules***

Management is responsible for the preparation and fair presentation of these financial schedules 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 financial schedules that are free from material misstatement, whether due to fraud or error.

### ***Auditor's Responsibility***

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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial schedules. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial schedules, 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 schedules 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 schedules.

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 schedules referred to above present fairly, in all material respects, the Combined Schedule of Sources and Disposition of General Fund Authorizations of the Michigan Legislature as of September 30, 2014 and 2013 in accordance with accounting principles generally accepted in the United States of America.

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 schedules of the Michigan Legislature were prepared for the purpose of presenting the Combined Schedule 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. These financial schedules 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. Our opinion is not modified with respect to this matter.

***Other Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Michigan Legislature's Combined Schedule 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 Schedule 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 basic financial schedules. Such information has been subjected to the auditing procedures applied in the audit of the basic financial schedules and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial schedules or to the basic financial schedules themselves, 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 basic financial schedules as a whole.

***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated February 6, 2015 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*

February 6, 2015

# Michigan Legislature

## Combined Schedule of Sources and Disposition of General Fund Authorizations Year Ended September 30, 2014

### Sources of Authorization

Legislative appropriations:	
General purpose appropriations	\$ 111,659,600
Legislative automated data processing appropriation	5,675,300
Property management appropriation	15,834,000
Authorizations carried forward from prior year	11,502,952
Miscellaneous revenue:	
Restricted	7,257,472
Intrafund reimbursement	(2,223,080)
Unrestricted	271,059
Total sources of authorizations	<u>\$ 149,977,303</u>

### Disposition of Authorizations

Expenditures	\$ 137,739,422
Less intrafund expenditure reimbursements	<u>(2,223,080)</u>
Net expenditures	135,516,342
Unexpended authorizations carried forward to next budget year:	
Encumbrances	1,130,294
Work projects	12,532,563
Restricted revenue	98,000
Lapsed authorizations	<u>700,104</u>
Total disposition of authorizations	<u>\$ 149,977,303</u>

# Michigan Legislature

## Combined Schedule of Sources and Disposition of General Fund Authorizations Year Ended September 30, 2013

### Sources of Authorization

Legislative appropriations:	
General purpose appropriations	\$ 101,164,600
Legislative automated data processing appropriation	5,284,300
Property management appropriation	13,318,500
Authorizations carried forward from prior year	15,876,290
Miscellaneous revenue:	
Restricted	7,561,045
Intrafund reimbursement	(4,410,557)
Unrestricted	422,732
Total sources of authorizations	<u>\$ 139,216,910</u>

### Disposition of Authorizations

Expenditures	\$ 131,641,813
Less intrafund expenditure reimbursements	<u>(4,410,557)</u>
Net expenditures	127,231,256
Unexpended authorizations carried forward to next budget year:	
Encumbrances	162,642
Work projects	11,253,704
Restricted revenue	86,606
Lapsed authorizations	<u>482,702</u>
Total disposition of authorizations	<u>\$ 139,216,910</u>



# Michigan Legislature

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## Notes to Schedules of Sources and Disposition of General Fund Authorizations September 30, 2014 and 2013

### Note I - 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 schedules of sources and disposition of General Fund authorizations have been prepared for the purpose of presenting the Combined Schedule of Sources and Disposition of the agencies within the State of Michigan's General Fund that comprise the Michigan Legislature. These financial schedules 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 purposes of these schedules, the Michigan Legislature includes the following agencies: the House of Representatives, the House Fiscal Agency, the Legislative Council, the Senate, the Senate Fiscal Agency, and the Office of the Auditor General. The schedules do not include the activity of the Legislative Retirement System. During the year ended September 30, 2014, the State Capitol Historic Site was designated as a separate agency; however, it did not receive an authorization for the year ended September 30, 2014. Beginning with the year ending September 30, 2015, the State Capitol Historic Site will be reported as a separate agency of the Michigan Legislature.

The accompanying schedules 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, 2014 and 2013.

Total funds available as reflected in the accompanying schedules of sources and disposition of General Fund authorizations consist of 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 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 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).

# Michigan Legislature

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## Notes to Schedules of Sources and Disposition of General Fund Authorizations September 30, 2014 and 2013

### Note I - Summary of Significant Accounting Policies (Continued)

The notes 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 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 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.

**Adjustments to Authorizations** - Adjustments to authorizations 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 revenues 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.

# Michigan Legislature

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## Notes to Schedules of Sources and Disposition of General Fund Authorizations September 30, 2014 and 2013

### **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. There were no capital outlay carryforwards for the years ended September 30, 2014 and 2013.

*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 \$4,434,870 for September 30, 2014 and \$4,158,781 for September 30, 2013. 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.

## **Supplemental Information**

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# Michigan Legislature

## Combining Schedule of Sources and Disposition of General Fund Authorizations Year Ended September 30, 2014

	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	\$ 47,841,200	\$ 30,955,300	\$ 12,099,800	\$ 13,911,300	\$ 3,426,000	\$ 3,426,000	\$ 111,659,600
Legislative automated data processing appropriation	1,930,900	2,432,200	1,312,200	-	-	-	5,675,300
Property management appropriation	10,207,700	2,547,600	3,078,700	-	-	-	15,834,000
Authorizations carried forward from prior year	4,763,331	3,853,059	2,497,385	289,177	100,000	-	11,502,952
Miscellaneous revenue:							
Restricted	-	-	301,581	6,955,891	-	-	7,257,472
Intrafund reimbursement	-	-	-	(2,223,080)	-	-	(2,223,080)
Unrestricted	200,411	70,648	-	-	-	-	271,059
<b>Total sources of authorizations</b>	<b>\$ 64,943,542</b>	<b>\$ 39,858,807</b>	<b>\$ 19,289,666</b>	<b>\$ 18,933,288</b>	<b>\$ 3,526,000</b>	<b>\$ 3,426,000</b>	<b>\$ 149,977,303</b>
<b>Disposition of Authorizations</b>							
Expenditures	\$ 59,111,186	\$ 35,983,673	\$ 15,871,349	\$ 20,194,784	\$ 3,152,430	\$ 3,426,000	\$ 137,739,422
Less intrafund expenditure reimbursements	-	-	-	(2,223,080)	-	-	(2,223,080)
Net expenditures	59,111,186	35,983,673	15,871,349	17,971,704	3,152,430	3,426,000	135,516,342
Unexpended authorizations carried forward to next budget year:							
Encumbrances	734,966	131,887	-	263,441	-	-	1,130,294
Work projects	5,097,390	3,716,745	2,920,317	698,111	100,000	-	12,532,563
Restricted revenue	-	-	98,000	-	-	-	98,000
Lapsed authorizations	-	26,502	400,000	32	273,570	-	700,104
<b>Total disposition of authorizations</b>	<b>\$ 64,943,542</b>	<b>\$ 39,858,807</b>	<b>\$ 19,289,666</b>	<b>\$ 18,933,288</b>	<b>\$ 3,526,000</b>	<b>\$ 3,426,000</b>	<b>\$ 149,977,303</b>

# Michigan Legislature

## Combining Schedule of Sources and Disposition of General Fund Authorizations Year Ended September 30, 2013

	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	\$ 42,895,600	\$ 27,646,400	\$ 11,407,300	\$ 13,004,900	\$ 3,105,200	\$ 3,105,200	\$ 101,164,600
Legislative automated data processing appropriation	1,797,900	2,264,600	1,221,800	-	-	-	5,284,300
Property management appropriation	8,731,600	1,906,500	2,680,400	-	-	-	13,318,500
Authorizations carried forward from prior year	8,199,437	5,624,705	1,904,479	77,519	-	70,150	15,876,290
Miscellaneous revenue:							
Restricted	-	-	363,289	7,197,756	-	-	7,561,045
Intrafund reimbursement	-	-	-	(4,410,557)	-	-	(4,410,557)
Unrestricted	342,965	79,767	-	-	-	-	422,732
<b>Total sources of authorizations</b>	<b>\$ 61,967,502</b>	<b>\$ 37,521,972</b>	<b>\$ 17,577,268</b>	<b>\$ 15,869,618</b>	<b>\$ 3,105,200</b>	<b>\$ 3,175,350</b>	<b>\$ 139,216,910</b>
<b>Disposition of Authorizations</b>							
Expenditures	\$ 57,204,138	\$ 33,664,559	\$ 14,679,883	\$ 19,989,680	\$ 2,928,203	\$ 3,175,350	\$ 131,641,813
Less intrafund expenditure reimbursements	-	-	-	(4,410,557)	-	-	(4,410,557)
Net expenditures	57,204,138	33,664,559	14,679,883	15,579,123	2,928,203	3,175,350	127,231,256
Unexpended authorizations carried forward to next budget year:							
Encumbrances	-	96,050	-	66,592	-	-	162,642
Work projects	4,763,331	3,757,009	2,410,779	222,585	100,000	-	11,253,704
Restricted revenue	-	-	86,606	-	-	-	86,606
Lapsed authorizations	33	4,354	400,000	1,318	76,997	-	482,702
<b>Total disposition of authorizations</b>	<b>\$ 61,967,502</b>	<b>\$ 37,521,972</b>	<b>\$ 17,577,268</b>	<b>\$ 15,869,618</b>	<b>\$ 3,105,200</b>	<b>\$ 3,175,350</b>	<b>\$ 139,216,910</b>

# Michigan Legislature

## Combining Schedule of Expenditures Year Ended September 30, 2014

	Michigan House of Representatives	Michigan Senate	Legislative Council	Office of the Auditor General	Senate Fiscal Agency	House Fiscal Agency	Total
Salaries and wages	\$ 25,880,393	\$ 17,972,154	\$ 6,665,048	\$ 11,029,000	\$ 1,602,209	\$ 1,817,345	\$ 64,966,149
FICA and retirement	12,047,871	9,253,283	3,898,246	6,422,913	962,912	1,091,588	33,676,813
Group insurance	3,527,541	3,894,598	1,332,321	1,755,455	309,839	279,918	11,099,672
Member's SOCC (1) expenses and mileage	1,672,615	633,685	-	-	-	-	2,306,300
Rentals, leases, and utilities	9,486,441	1,387,220	2,025,046	391,088	165,540	38,393	13,493,728
Fees and purchased services	1,109,154	498,646	1,075,860	37,115	56,846	155,008	2,932,629
Office supplies and printing	664,541	477,328	1,019,700	306,367	18,884	7,193	2,494,013
Parking	-	-	-	8,064	-	-	8,064
Travel	6,434	29,767	44,898	48,981	1,998	1,384	133,462
Telephone	361,543	234,537	175,481	19,191	13,821	13,650	818,223
Insurance and bonds	58,633	138	2,624	-	-	84	61,479
Dues and subscriptions	109,951	90,599	366,017	22,056	15,389	21,371	625,383
Postage	1,535,207	709,679	6,568	2,139	507	63	2,254,163
Maintenance	564,612	361,388	321,190	28,959	1,443	-	1,277,592
Education and training	26,666	4,200	7,944	123,456	-	-	162,266
Expenditure reimbursements	-	-	(1,381,540)	-	-	-	(1,381,540)
Equipment and furnishings	2,059,584	436,451	311,946	-	3,042	3	2,811,026
<b>Total expenditures</b>	<b>\$ 59,111,186</b>	<b>\$ 35,983,673</b>	<b>\$ 15,871,349</b>	<b>\$ 20,194,784</b>	<b>\$ 3,152,430</b>	<b>\$ 3,426,000</b>	<b>\$ 137,739,422</b>

(1) SOCC - State Officer's Compensation Commission

# Michigan Legislature

## Combining Schedule of Expenditures Year Ended September 30, 2013

	Michigan House of Representatives	Michigan Senate	Legislative Council	Office of the Auditor General	Senate Fiscal Agency	House Fiscal Agency	Total
Salaries and wages	\$ 26,222,151	\$ 17,185,159	\$ 6,668,331	\$ 11,150,530	\$ 1,518,639	\$ 1,614,870	\$ 64,359,680
FICA and retirement	11,272,545	8,164,743	3,662,068	6,056,578	853,582	902,707	30,912,223
Group insurance	4,997,979	3,168,435	1,433,768	1,710,822	284,223	251,809	11,847,036
Member's SOCC (1) expenses and mileage	1,663,920	650,102	-	-	-	-	2,314,022
Rentals, leases, and utilities	8,471,711	1,292,726	1,958,694	399,661	165,147	39,381	12,327,320
Fees and purchased services	706,163	678,747	650,915	64,018	55,600	322,147	2,477,590
Office supplies and printing	614,656	463,096	782,518	297,450	16,132	6,708	2,180,560
Parking	9,692	-	-	8,190	-	-	17,882
Travel	-	24,441	34,885	85,070	2,970	1,953	149,319
Telephone	355,856	237,671	179,175	15,219	14,433	13,572	815,926
Insurance and bonds	58,788	300	2,603	-	-	84	61,775
Dues and subscriptions	110,160	93,501	361,675	21,501	15,050	21,837	623,724
Postage	1,139,405	574,651	4,200	2,435	417	113	1,721,221
Maintenance	673,064	462,158	237,702	53,571	2,010	-	1,428,505
Education and training	6,497	334	801	115,844	-	169	123,645
Expenditure reimbursements	-	-	(1,588,765)	-	-	-	(1,588,765)
Equipment and furnishings	901,551	668,495	291,313	8,791	-	-	1,870,150
<b>Total expenditures</b>	<b>\$ 57,204,138</b>	<b>\$ 33,664,559</b>	<b>\$ 14,679,883</b>	<b>\$ 19,989,680</b>	<b>\$ 2,928,203</b>	<b>\$ 3,175,350</b>	<b>\$ 131,641,813</b>

(1) SOCC - State Officer's Compensation Commission



# Michigan Legislature

## Schedule of Sources and Disposition of General Fund Authorizations Michigan House of Representatives

	Year Ended	
	September 30, 2014	September 30, 2013
<b>Sources of Authorization</b>		
Legislative appropriations:		
General purpose appropriations	\$ 47,841,200	\$ 42,895,600
Legislative automated data processing appropriation	1,930,900	1,797,900
Property management appropriation	10,207,700	8,731,600
Authorizations carried forward from prior year	4,763,331	8,199,437
Miscellaneous revenue:		
Restricted	-	-
Intrafund reimbursement	-	-
Unrestricted	200,411	342,965
Total sources of authorizations	<u>\$ 64,943,542</u>	<u>\$ 61,967,502</u>
<b>Disposition of Authorizations</b>		
Expenditures	\$ 59,111,186	\$ 57,204,138
Less intrafund expenditure reimbursements	-	-
Net expenditures	59,111,186	57,204,138
Unexpended authorizations carried forward to next budget year:		
Encumbrances	734,966	-
Work projects	5,097,390	4,763,331
Restricted revenue	-	-
Lapsed authorizations	-	33
Total disposition of authorizations	<u>\$ 64,943,542</u>	<u>\$ 61,967,502</u>

# Michigan Legislature

## Schedule of Expenditures Michigan House of Representatives

	Year Ended	
	September 30, 2014	September 30, 2013
Salaries and wages	\$ 25,880,393	\$ 26,222,151
FICA and retirement	12,047,871	11,272,545
Group insurance	3,527,541	4,997,979
Member's SOCC (1) expenses and mileage	1,672,615	1,663,920
Rentals, leases, and utilities	9,486,441	8,471,711
Fees and purchased services	1,109,154	706,163
Office supplies and printing	664,541	614,656
Parking	-	9,692
Travel	6,434	-
Telephone	361,543	355,856
Insurance and bonds	58,633	58,788
Dues and subscriptions	109,951	110,160
Postage	1,535,207	1,139,405
Maintenance	564,612	673,064
Education and training	26,666	6,497
Expenditure reimbursements	-	-
Equipment and furnishings	2,059,584	901,551
Total expenditures	<u>\$ 59,111,186</u>	<u>\$ 57,204,138</u>

(1) SOCC - State Officer's Compensation Commission

# Michigan Legislature

## Schedule of Sources and Disposition of General Fund Authorizations Michigan Senate

	Year Ended	
	September 30, 2014	September 30, 2013
<b>Sources of Authorization</b>		
Legislative appropriations:		
General purpose appropriations	\$ 30,955,300	\$ 27,646,400
Legislative automated data processing appropriation	2,432,200	2,264,600
Property management appropriation	2,547,600	1,906,500
Authorizations carried forward from prior year	3,853,059	5,624,705
Miscellaneous revenue:		
Restricted	-	-
Intrafund reimbursement	-	-
Unrestricted	70,648	79,767
Total sources of authorizations	<b>\$ 39,858,807</b>	<b>\$ 37,521,972</b>
<b>Disposition of Authorizations</b>		
Expenditures	\$ 35,983,673	\$ 33,664,559
Less intrafund expenditure reimbursements	-	-
Net expenditures	35,983,673	33,664,559
Unexpended authorizations carried forward to next budget year:		
Encumbrances	131,887	96,050
Work projects	3,716,745	3,757,009
Restricted revenue	-	-
Lapsed authorizations	26,502	4,354
Total disposition of authorizations	<b>\$ 39,858,807</b>	<b>\$ 37,521,972</b>

# Michigan Legislature

## Schedule of Expenditures Michigan Senate

	Year Ended	
	September 30, 2014	September 30, 2013
Salaries and wages	\$ 17,972,154	\$ 17,185,159
FICA and retirement	9,253,283	8,164,743
Group insurance	3,894,598	3,168,435
Member's SOCC (1) expenses and mileage	633,685	650,102
Rentals, leases, and utilities	1,387,220	1,292,726
Fees and purchased services	498,646	678,747
Office supplies and printing	477,328	463,096
Parking	-	-
Travel	29,767	24,441
Telephone	234,537	237,671
Insurance and bonds	138	300
Dues and subscriptions	90,599	93,501
Postage	709,679	574,651
Maintenance	361,388	462,158
Education and training	4,200	334
Expenditure reimbursements	-	-
Equipment and furnishings	436,451	668,495
Total expenditures	<u>\$ 35,983,673</u>	<u>\$ 33,664,559</u>

(1) SOCC - State Officer's Compensation Commission

# Michigan Legislature

## Schedule of Sources and Disposition of General Fund Authorizations Legislative Council

	Year Ended	
	September 30, 2014	September 30, 2013
<b>Sources of Authorization</b>		
Legislative appropriations:		
General purpose appropriations	\$ 12,099,800	\$ 11,407,300
Legislative automated data processing appropriation	1,312,200	1,221,800
Property management appropriation	3,078,700	2,680,400
Authorizations carried forward from prior year	2,497,385	1,904,479
Miscellaneous revenue:		
Unrestricted	301,581	363,289
Intrafund reimbursement	-	-
Unrestricted	-	-
Total sources of authorizations	<u>\$ 19,289,666</u>	<u>\$ 17,577,268</u>
<b>Disposition of Authorizations</b>		
Expenditures	\$ 15,871,349	\$ 14,679,883
Less intrafund expenditure reimbursements	-	-
Net expenditures	15,871,349	14,679,883
Unexpended authorizations carried forward to next budget year:		
Encumbrances	-	-
Work projects	2,920,317	2,410,779
Restricted revenue	98,000	86,606
Lapsed authorizations	400,000	400,000
Total disposition of authorizations	<u>\$ 19,289,666</u>	<u>\$ 17,577,268</u>

# Michigan Legislature

## Schedule of Expenditures Legislative Council

	Year Ended	
	September 30, 2014	September 30, 2013
Salaries and wages	\$ 6,665,048	\$ 6,668,331
FICA and retirement	3,898,246	3,662,068
Group insurance	1,332,321	1,433,768
Member's SOCC (1) expenses and mileage	-	-
Rentals, leases, and utilities	2,025,046	1,958,694
Fees and purchased services	1,075,860	650,915
Office supplies and printing	1,019,700	782,518
Parking	-	-
Travel	44,898	34,885
Telephone	175,481	179,175
Insurance and bonds	2,624	2,603
Dues and subscriptions	366,017	361,675
Postage	6,568	4,200
Maintenance	321,190	237,702
Education and training	7,944	801
Expenditure reimbursements	(1,381,540)	(1,588,765)
Equipment and furnishings	311,946	291,313
Total expenditures	<u>\$ 15,871,349</u>	<u>\$ 14,679,883</u>

(1) SOCC - State Officer's Compensation Commission

# Michigan Legislature

## Schedule of Sources and Disposition of General Fund Authorizations Office of the Auditor General

	Year Ended	
	September 30, 2014	September 30, 2013
<b>Sources of Authorization</b>		
Legislative appropriations:		
General purpose appropriations	\$ 13,911,300	\$ 13,004,900
Legislative automated data processing appropriation	-	-
Property management appropriation	-	-
Authorizations carried forward from prior year	289,177	77,519
Miscellaneous revenue:		
Restricted	6,955,891	7,197,756
Intrafund reimbursement	(2,223,080)	(4,410,557)
Unrestricted	-	-
Total sources of authorizations	<b>\$ 18,933,288</b>	<b>\$ 15,869,618</b>
<b>Disposition of Authorizations</b>		
Expenditures	\$ 20,194,784	\$ 19,989,680
Less intrafund expenditure reimbursements	(2,223,080)	(4,410,557)
Net expenditures	17,971,704	15,579,123
Unexpended authorizations carried forward to next budget year:		
Encumbrances	263,441	66,592
Work projects	698,111	222,585
Restricted revenue	-	-
Lapsed authorizations	32	1,318
Total disposition of authorizations	<b>\$ 18,933,288</b>	<b>\$ 15,869,618</b>

# Michigan Legislature

## Schedule of Expenditures Office of the Auditor General

	Year Ended	
	September 30, 2014	September 30, 2013
Salaries and wages	\$ 11,029,000	\$ 11,150,530
FICA and retirement	6,422,913	6,056,578
Group insurance	1,755,455	1,710,822
Member's SOCC (1) expenses and mileage	-	-
Rentals, leases, and utilities	391,088	399,661
Fees and purchased services	37,115	64,018
Office supplies and printing	306,367	297,450
Parking	8,064	8,190
Travel	48,981	85,070
Telephone	19,191	15,219
Insurance and bonds	-	-
Dues and subscriptions	22,056	21,501
Postage	2,139	2,435
Maintenance	28,959	53,571
Education and training	123,456	115,844
Expenditure reimbursements	-	-
Equipment and furnishings	-	8,791
<b>Total expenditures</b>	<b>\$ 20,194,784</b>	<b>\$ 19,989,680</b>

(1) SOCC - State Officer's Compensation Commission



# Michigan Legislature

## Schedule of Sources and Disposition of General Fund Authorizations Senate Fiscal Agency

	Year Ended	
	September 30, 2014	September 30, 2013
<b>Sources of Authorization</b>		
Legislative appropriations:		
General purpose appropriations	\$ 3,426,000	\$ 3,105,200
Legislative automated data processing appropriation	-	-
Property management appropriation	-	-
Authorizations carried forward from prior year	100,000	-
Miscellaneous revenue:		
Restricted	-	-
Intrafund reimbursement	-	-
Unrestricted	-	-
Total sources of authorizations	<u>\$ 3,526,000</u>	<u>\$ 3,105,200</u>
<b>Disposition of Authorizations</b>		
Expenditures	\$ 3,152,430	\$ 2,928,203
Less intrafund expenditure reimbursements	-	-
Net expenditures	3,152,430	2,928,203
Unexpended authorizations carried forward to next budget year:		
Encumbrances	-	-
Work projects	100,000	100,000
Restricted revenue	-	-
Lapsed authorizations	273,570	76,997
Total disposition of authorizations	<u>\$ 3,526,000</u>	<u>\$ 3,105,200</u>

# Michigan Legislature

## Schedule of Expenditures Senate Fiscal Agency

	Year Ended	
	September 30, 2014	September 30, 2013
Salaries and wages	\$ 1,602,209	\$ 1,518,639
FICA and retirement	962,912	853,582
Group insurance	309,839	284,223
Member's SOCC (1) expenses and mileage	-	-
Rentals, leases, and utilities	165,540	165,147
Fees and purchased services	56,846	55,600
Office supplies and printing	18,884	16,132
Parking	-	-
Travel	1,998	2,970
Telephone	13,821	14,433
Insurance and bonds	-	-
Dues and subscriptions	15,389	15,050
Postage	507	417
Maintenance	1,443	2,010
Education and training	-	-
Expenditure reimbursements	-	-
Equipment and furnishings	3,042	-
Total expenditures	<u>\$ 3,152,430</u>	<u>\$ 2,928,203</u>

(1) SOCC - State Officer's Compensation Commission

# Michigan Legislature

## Schedule of Sources and Disposition of General Fund Authorizations House Fiscal Agency

	Year Ended	
	September 30, 2014	September 30, 2013
<b>Sources of Authorization</b>		
Legislative appropriations:		
General purpose appropriations	\$ 3,426,000	\$ 3,105,200
Legislative automated data processing appropriation	-	-
Property management appropriation	-	-
Authorizations carried forward from prior year	-	70,150
Miscellaneous revenue:		
Restricted	-	-
Intrafund reimbursement	-	-
Unrestricted	-	-
Total sources of authorizations	<u>\$ 3,426,000</u>	<u>\$ 3,175,350</u>
<b>Disposition of Authorizations</b>		
Expenditures	\$ 3,426,000	\$ 3,175,350
Less intrafund expenditure reimbursements	<u>-</u>	<u>-</u>
Net expenditures	3,426,000	3,175,350
Unexpended authorizations carried forward to next budget year:		
Encumbrances	-	-
Work projects	-	-
Restricted revenue	-	-
Lapsed authorizations	-	-
Total disposition of authorizations	<u>\$ 3,426,000</u>	<u>\$ 3,175,350</u>

# Michigan Legislature

## Schedule of Expenditures House Fiscal Agency

	Year Ended	
	September 30, 2014	September 30, 2013
Salaries and wages	\$ 1,817,345	\$ 1,614,870
FICA and retirement	1,091,588	902,707
Group insurance	279,918	251,809
Member's SOCC (I) expenses and mileage	-	-
Rentals, leases, and utilities	38,393	39,381
Fees and purchased services	155,008	322,147
Office supplies and printing	7,193	6,708
Parking	-	-
Travel	1,384	1,953
Telephone	13,650	13,572
Insurance and bonds	84	84
Dues and subscriptions	21,371	21,837
Postage	63	113
Maintenance	-	-
Education and training	-	169
Expenditure reimbursements	-	-
Equipment and furnishings	3	-
Total expenditures	<b>\$ 3,426,000</b>	<b>\$ 3,175,350</b>

(I) 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***

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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*

Independent Auditor's Report

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

We have audited, in accordance with the 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 Schedule of Sources and Disposition of General Fund Authorizations of the Michigan Legislature for the years ended September 30, 2014 and 2013 and the related notes to the financial schedules, which collectively comprise the Michigan Legislature's financial schedules, and have issued our report thereon dated February 6, 2015.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial schedules, we considered the 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 schedules, 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 schedules 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.

To 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 the Michigan Legislature's financial schedules 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 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*.

### **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*

February 6, 2015