

**MICHIGAN
NATURAL RESOURCES
TRUST FUND (MNRTF)**



2003 MNRTF ANNUAL REPORT



**Department of Natural Resources
Grants, Contracts and Customer Systems**

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MICHIGAN NATURAL RESOURCES TRUST FUND

ANNUAL REPORT FOR 2003

Lansing, Michigan

February 2004

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Board of Trustees**

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MICHIGAN NATURAL RESOURCES TRUST FUND

2003 Annual Report

I. INTRODUCTION

This document is submitted in compliance with Section 1906(2) of the Michigan Natural Resources Trust Fund (MNRTF) Act, Part 19 of the Natural Resources and Environmental Protection Act, 451 PA 1994 (Act 451), as amended. Part 19 of Act 451 requires that by January 16 of each year, an Annual Report be submitted to the Governor and Legislature detailing the operations of the MNRTF Board of Trustees for the preceding one-year period. The report provides a summary of the activities of the MNRTF Board and Program for calendar year 2003, including projects recommended for funding and program revenues and expenditures.

II. HISTORY OF THE MICHIGAN NATURAL RESOURCES TRUST FUND

The MNRTF began as the "Kammer Recreational Land Trust Fund Act of 1976" via PA 204 of 1976. Act 204 created the Michigan Land Trust Fund (MLTF) program to provide a source of funding for the public acquisition of lands for resource protection and public outdoor recreation. Funding was derived from royalties on the sale and lease of State-owned mineral rights.

On November 6, 1984, Michigan residents voted in favor of Proposal B, which amended the State Constitution and created the MNRTF. The constitutional amendment required that oil, gas, and other mineral lease and royalty payments be placed into the Trust Fund, with proceeds used to both acquire and develop public recreation lands. To implement the constitutional amendment, the Legislature passed the Michigan Natural Resources Trust Fund Act of 1985 (PA 101 of 1985, Act 101). This act stipulated that in any one fiscal year up to a third of all mineral lease revenues, plus the interest and earnings of the Trust Fund, could be used to both purchase land for resource protection and public outdoor recreation and develop outdoor recreation facilities.

Act 101 also specified that not less than 25 percent of the total expenditures from the Trust Fund in any fiscal year shall be expended for land acquisition and rights in land, and not more than 25 percent of the total expenditures from the Trust Fund in any fiscal year be expended for development of public recreation facilities. In addition, Act 101 authorized the use of Trust Funds to make the annual payments in-lieu of taxes to local units of government that are required under subpart 14 of Part 21 of the Natural Resources and Environmental Protection Act, 451 PA 1994, as amended. Trust Funds are used to meet the DNR's obligations under Part 21 for lands acquired by the DNR with MNRTF assistance.

On November 8, 1994, Michigan voters approved Proposal P, which also amended the State Constitution. The 1994 amendment reversed a previous constitutional provision which allowed the diversion of Trust Fund revenue to the Michigan Strategic Fund. Proposal P also established the State Park Endowment Fund for the operation, maintenance and capital improvements at Michigan's State Parks, and provided for the distribution of \$10 million annually in Trust Fund revenues to the new Endowment Fund. The 1994 amendment also raised the maximum amount that can accumulate in the Trust Fund from \$200 million to \$400 million.

On August 6, 2002, Michigan residents approved Proposal 2. This amendment to Article IX allows the MNRTF to invest in a wider array of investments, raises the current cap on the maximum allowable amount from \$400 million to \$500 million, and allows up to one-third of the Trust Fund revenues to be spent annually, until the principal reaches \$500 million.

III. BOARD MEMBERSHIP

The Board of Trustees created by the MNRTF Act is composed of five members. These members are the Director of the Department of Natural Resources (DNR) or a member of the Natural Resources Commission, as determined by the Natural Resources Commission, and four residents of the State appointed by the Governor.

The four citizen members appointed by the Governor and serving their terms during 2003 were:

Mr. Steven Arwood from Dewitt, for a term expiring October 1, 2005; David Dempsey from Lansing, for a term expiring October 1, 2007; Mr. Kevin Johnson from Gaylord, for a term expiring October, 2003; Mr. Jim Thompson from Reed City, for a term expiring October 1, 2004; and Mr. Sam Washington from West Bloomfield, for a term expiring October 1, 2006. The Natural Resources Commission was represented by Commissioner Bob Garner. Mr. Johnson served as Chairperson through 2003.

IV. BOARD ACTIVITIES AND ACHIEVEMENTS IN 2003

The Trust Fund Board met six times in 2003 to conduct business. The following is a summary of their actions:

Allocation of Project Funds

Section 1907(1) of Part 19, PA 451 of 1994, requires that by January of each year the Board submit to the Legislature a priority list of lands recommended for acquisition and/or development.

Applications for MNRTF assistance are accepted annually. Applications are accepted from both local units of government and State agencies, primarily the land managing divisions of the Department of Natural Resources (DNR). Applications are reviewed and scored by Grants, Contracts and Customer Systems (GCACS) of the DNR. Final grant recommendations are made by the MNRTF Board and submitted to the Legislature for approval and appropriation of funds.

The 2003 Recreation Grants Selection Process booklet which explains the program and application requirements was made available to prospective applicants in January 2003. Applications for MNRTF land acquisition and recreation facility development projects were accepted from the DNR and local units of government on April 1, 2003. A secondary application deadline for acquisition applications only was available on August 1, 2003.

DNR's GCACS staff review applications for eligibility and conformance to the stated program goals and evaluation criteria. For applications received in April, GCACS staff conducted a preliminary evaluation and made the results available to applicants before the final scoring process was conducted. Also for applications received in April, GCACS staff conducted a site visit of certain sites to verify conditions described in the application.

During 2003, over 200 MNRTF applications requesting more than \$126 million in assistance were evaluated and scored by GCACS staff based on criteria and a scoring model approved by the Board. The staff rankings for acquisition and development projects were submitted to the Board in December. These rankings were based on application scores and the funds available. The Board considered staff recommendations and other appropriate factors in making its recommendations.

At its December 10, 2003 meeting, the Board officially adopted its 2003 project recommendations for land acquisition and development projects for submission to the Legislature. The list included the following projects, subject to legislative approval and appropriation of funds:

- 27 acquisition grants totaling \$18.0 million - 19 local acquisition grants totaling \$7.4 million and 8 State acquisition grants totaling \$10.6 million.
- 24 development grants totaling \$5.6 million – 24 local development grants.

The list of approved acquisition projects in priority order are provided below:

PROJECT NO.	APPLICANT	PROJECT COUNTY	PROJECT TITLE	PROJECT DESCRIPTION	GRANT AMOUNT
TF03-184	DNR-FMFM	Various	Kamehameha Schools Land Project-Phase II	Purchase of a working forest conservation easement allowing continued timbering and public access for approximately 390,000 acres.	\$3,000,000
TF03-194	DNR-PARKS	Various	Various State Park Acquisitions	Acquire first priority, critical inholdings or other key parcels of land that are immediately adjacent to existing State Park and Recreation Area boundaries.	\$500,000
TF03-209	DNR-EXECUTIVE	Manistee	CMS Arcadia/Green Point Dunes-Phase I	Purchase of development rights on approximately 1,880 acres of dunes and forest on Lake Michigan. Includes 2.7 miles of coastline, 320 acres of Critical Dunes, Pitcher's Thistle for protection and public access.	\$4,000,000
TF03-198	DNR-WILDLIFE	Various	Wildlife Area Lump Sum Acquisitions	Purchase of inholdings within State Game and Wildlife areas statewide, with the primary focus of southern Michigan.	\$450,000
TF03-199	DNR-WILDLIFE	Various	Upper Peninsula Deer Habitat Acquisitions	Acquisition of large industrial forest tracts (approx. 6,200 acres) and a 624-acre parcel with 6,300' frontage on St. Mary's River/Raber Bay, for purposes of public recreation and deer winter habitat management.	\$1,500,000
TF03-197	DNR-WILDLIFE	Various	Southern Michigan Wetland Initiative	Acquisition of 14 tracts comprised of 1,235 acres. Includes Great Lakes coastal wetlands, inland wetlands, restorable wetlands and high priority inholdings within State Game and Wildlife areas in Southern Michigan.	\$600,000
TF03-177	DNR-FISHERIES	Various	Fisheries Division Lump Sum	Acquisition in fee simple of public fishing sites, river and stream corridors, inland lakes, Great Lakes shoreline, and special project areas to protect significant fisheries resources and habitat statewide.	\$250,000
TF03-125	ALLOUEZ TOWNSHIP	Keweenaw	Seneca Lake Township Park and Recreation Area	Purchase 200 acres surrounding the 7.4 acre Seneca Lake for hunting, public recreation and wildlife habitat.	\$175,500
TF03-186	DNR-FMFM	Various	State Forest Lump Sum	Acquire in fee simple parcels of land to improve blocking, access, management, and public use of state forests, and to reduce fragmentation and use conflicts.	\$300,000

PROJECT NO.	APPLICANT	PROJECT COUNTY	PROJECT TITLE	PROJECT DESCRIPTION	GRANT AMOUNT
TF03-206	WHITEWATER TOWNSHIP	Grand Traverse	Battle Creek Natural Area	Acquisition of 500 acres, with 2300 feet of Elk Lake shoreline and 2 miles of Battle Creek, a designated trout stream for protection of critical natural resources and provision of public recreation.	\$1,860,600
TF03-146	OTTAWA COUNTY	Ottawa	Connor Bayou Acquisition	Acquire in fee simple 95 acres of high quality forested land with nearly 2,000' of Grand River frontage plus a portion of Connor Bayou and wetlands for development of a future county park.	\$823,000
TF03-129	ST. CLAIR COUNTY	St. Clair	Lake Huron Shoreline Acquisition	Acquire in fee simple 16 acres of natural land for a public park, including 530 feet of frontage on Lake Huron.	\$2,312,500
TF03-015	HARRISON TOWNSHIP	Macomb	Parkway Nature Preserve	Acquire in fee simple 155 acres of wooded wetlands/wildlife habitat to be used as a nature preserve. The property is adjacent to Metropolitan Parkway bike path.	\$555,000
TF03-143	WALES TOWNSHIP	St. Clair	Wales Township Park Land Acquisition	Acquire in fee simple 25.8 acre parcel with 932 feet of frontage along both sides of Smiths Creek for future development of first Township park. Development to include ball fields, playground, tennis and basketball courts, and a nature trail.	\$74,300
TF03-070	ZEELAND TOWNSHIP	Ottawa	Drenthe Grove Park Expansion	Acquisition in fee simple title of thirteen (13) acres adjacent to Drenthe Grove Park for future expansion of park and recreational opportunities. Parcel includes 0.6-acre wetland and 500' along Hunderman Creek.	\$80,400
TF03-166	CASPIAN	Iron	Acquisition of 8 Acres of Iron River Frontage	Acquire 8-acre parcel which provides 300' frontage along the Iron River and 3,700' of frontage along abandoned mine quarry. City plans to construct park area in the future.	\$13,300
TF03-208	DEWITT TOWNSHIP	Clinton	Water's Edge Park Acquisition	Purchase of 11 acres of property with 650 feet of frontage along the Looking Glass River for use as a recreation area and public access to the river.	\$55,000
TF03-207	DALTON TOWNSHIP	Muskegon	Beegle Field Acquisition	Acquisition in fee simple title of 4.33 acres adjacent to existing township park for future park development including a veterans memorial, picnic area, band shell and parking.	\$30,000

PROJECT NO.	APPLICANT	PROJECT COUNTY	PROJECT TITLE	PROJECT DESCRIPTION	GRANT AMOUNT
TF03-203	HELENA TOWNSHIP	Antrim	Coy Mountain Preserve Acquisition	Acquisition of 2.7 acres of climax hardwood forest in the center of the existing 17-acre Coy Mountain Preserve for passive recreation and limited bow hunting.	\$93,000
TF03-210	IRONWOOD	Gogebic	Recreation Trail	Acquisition of a 30' x 400' strip of land along the recreation trail within the town. This trail is maintained by the MDNR.	\$6,900
TF03-158	OSCEOLA TOWNSHIP	Houghton	Electric Park Land Acquisition	Acquisition of the 40-acre Electric Park parcel for historic preservation, open space conservation, and future recreation use.	\$27,000
TF03-063	TUSCOLA TOWNSHIP	Tuscola	Tuscola Township Park Land Acquisition	Acquisition in fee simple title of 5 acres which would connect to the Township's existing park along the Cass River.	\$30,000
TF03-001	SEBEWAING	Huron	Sebewaing Park Project	Acquisition in fee simple title of 5.5 acres to expand the size of the existing park for parking and park improvements.	\$36,500
TF03-126	DICKINSON COUNTY	Dickinson	Sewage Lagoon and Railroad Grade Property	Purchase approximately 6.5 acres of abandoned railroad grade for trail use and approximately 9 additional acres of contiguous property to serve as a recreational support area for Lake Antoine Park.	\$20,700
TF03-205	EAST TAWAS	Iosco	Holiday Inn Property Acquisition	Acquisition in fee simple title of 0.75 acres located in the East Tawas Newman Street Waterfront Area adjacent to and bordering on East Tawas Harbor of Refuge and next to the City Park Campground.	\$96,500
TF03-115	SAUGATUCK	Allegan	Old Harbor Natural Area (Denison South) Acquisition	Acquire in fee simple title 161 acres of high quality natural dune land and wetlands with 3,650' of Lake Michigan frontage, 1600' of Kalamazoo River frontage and 4,452' of Oxbow Lake frontage. Site includes populations of at least four rare species.	\$900,000
TF03-130	COMMERCE TOWNSHIP	Oakland	Dodge Park #5 Acquisition	Acquire in fee simple the 64-acre Dodge Park #5 to use as a public park.	\$250,000

The list of approved development projects in priority order are provided below:

PROJECT NO.	APPLICANT	PROJECT COUNTY	PROJECT TITLE	PROJECT DESCRIPTION	GRANT AMOUNT
TF03-064	GRAYLING	Crawford	Grayling River Park Development	Provide barrier-free restrooms, additional parking, replace pedestrian bridge and provide fishing and canoe access sites at the Grayling River.	\$349,000
TF03-068	ISABELLA COUNTY	Isabella	Coldwater Lake Park Development	Renovation of existing bath house, construction of new bath house, gatehouse and barrier-free walkways, upgrade campsites to barrier-free standards, and installation of two interpretive areas.	\$211,500
TF03-042	PITTSFIELD TOWNSHIP	Washtenaw	Central Area Rural Preserve - Phase I	Development of a 535-acre park containing numerous wetland and woodland habitats. Plan includes trail and boardwalks to access natural areas and picnic, play, restroom and parking facilities in a former agricultural field.	\$340,800
TF03-003	LUDINGTON	Mason	Cartier Park Fishing Pier Installation	Installation of two 95' fishing piers on Lincoln Lake with associated walkways and abutments.	\$82,500
TF03-023	HCMA	Livingston	Hudson Mills Metropark Hike/Bike Trail	Development of a 2.1 mile, 10 foot wide paved trail along the Huron River through Hudson Mills Metropark to provide trail recreation and access to public lands in Washtenaw County.	\$361,000
TF03-024	MUNISING TOWNSHIP	Alger	McQuisten Park Boardwalk and Fishing Pier	Extension of barrier-free boardwalk/nature trail with barrier free fishing sites, fish habitat improvements including dredging and placement of cover and fish planting.	\$134,700
TF03-026	CALUMET TOWNSHIP	Houghton	Lakeshore Park Restroom Facility	Construction of new plumbed lavatory building and septic field in existing park on Lake Superior.	\$42,000
TF03-160	ANTRIM COUNTY	Antrim	Barnes Park Improvements	Improve Barnes Park on Lake Michigan with campsite upgrades, walking path, and visitors' center.	\$160,100
TF03-107	BATTLE CREEK	Calhoun	Bailey Park Improvements	Improvements include a fishing/observation deck and enhanced boat launch on the Battle Creek River, linear park pathway, parking, shelter, playground elements, and site amenities.	\$229,300

PROJECT NO.	APPLICANT	PROJECT COUNTY	PROJECT TITLE	PROJECT DESCRIPTION	GRANT AMOUNT
TF03-095	ROCKFORD	Kent	Rogue River Trail Network Development	Construction of a 1,650 L.F., 10' wide bituminous trail along the banks of the Rogue River to provide handicapped access and linkages to the White Pine Trail and two existing city parks. The project also includes three fishing decks and site amenities.	\$118,200
TF03-137	CHIKAMING TOWNSHIP	Berrien	Township Park and Preserve Development	Development of a new park by creating an access road, parking areas, trails, pavilion, vault toilets, viewing/fishing platforms, landscaping and habitat restoration. This project will provide access to a 5-acre lake and 2800' frontage on the Galien River.	\$193,200
TF03-114	YPSILANTI TOWNSHIP	Washtenaw	North Hydro Park Development	Development of Huron River waterfront park to include fishing dock, canoe launch/dock, picnic shelter, restrooms, scenic walkway, entry road, gatehouse and parking.	\$432,700
TF03-092	BLOOMFIELD HILLS SCHOOLS	Oakland	E.L. Johnson Nature Center Visitors' Center	Construction of a 5,000 square foot visitors center overlooking scenic wetland and wildlife areas.	\$475,000
TF03-175	FRANKFORT	Benzie	Lake Michigan Beach Park Restoration	Renovate parking lot, provide additional barrier-free parking, and install a restroom facility at the county's Lake Michigan Beach Park.	\$92,000
TF03-116	SAULT STE. MARIE	Chippewa	Sherman Park Beach Accessibility/Upgrade	Beach accessibility improvements, enhancement of sandy beach area, playground equipment replacement, volleyball courts, picnic shelter, landscaping and relocation of main park entrance to improve Sherman Park on upper St. Mary's River.	\$198,300
TF03-033	MECOSTA COUNTY	Mecosta	Brower Park Marina Bathhouse	Construction of a new barrier-free bathhouse at Brower Park, which is located on the Hardy Dam (backwater of the Muskegon River).	\$90,000
TF03-119	SAGINAW COUNTY	Saginaw	Saginaw Valley Rail Trail	Development of 3.2 miles of 10' wide bituminous pathway continuing the Saginaw Valley Rail Trail from Van Wormer Road to Stroebel Road in James Township. The project will include road crossings, fencings/ plantings, restroom/storage facility and staging area.	\$493,000

PROJECT NO.	APPLICANT	PROJECT COUNTY	PROJECT TITLE	PROJECT DESCRIPTION	GRANT AMOUNT
TF03-079	KINGSLEY	Grand Traverse	Civic Center South	Development of a multi-use recreational complex that includes an archery range, tennis and basketball courts, restroom and concessions building, driveway and parking lot, and a hiking path through a nature area.	\$125,000
TF03-014	NORTH MUSKEGON	Muskegon	Block 58 Lakeshore Park Improvement	Shoreline/lake access improvements including access ramp, floating piers, paved drives, parking, construction of concrete walls along shoreline and throughout park, new play apparatus, picnic areas and new green space for picnicking.	\$208,000
TF03-034	OCEANA COUNTY	Oceana	Crystal Valley Park	Upgrade existing county park to include new barrier-free fishing access to the 6-acre Crystal Creek pond, with additional improvements to the ball diamond, basketball court, and parking areas.	\$99,900
TF03-106	LANSING	Ingham	River Trail South Extension	First southern extension of the Lansing River Trail through Potter Park and Shubel Park. Ten-foot wide, 1/2 mile, paved trail crosses over Mt. Hope Road with an overpass and connects with existing sidewalks on the south side of Mt. Hope Road.	\$226,500
TF03-109	DETROIT	Wayne	Belle Isle Improvements	Restroom/picnic improvements at Belle Isle Park. Project will increase/enhance public access to fishing, scenic views, wildlife and recreational opportunities.	\$322,000
TF03-013	WEXFORD COUNTY	Wexford	CASA All-Sports Park and Natural Recreation Area	Addition of amenities for five baseball/softball fields and the installation of two pedestrian bridges over the Clam River to improve opportunities for play in organized sports and fishing.	\$300,000
TF03-065	GAYLORD	Otsego	Freel/Doumas Park Renovation	New handicap accessible playground structures, picnic pavilions, paved pathways and parking, landscaping and irrigation.	\$318,000

MNRTF Nominations:

While only State and local governments may apply to the MNRTF to acquire property, any individual, group, or organization may nominate land for consideration. A nomination is a suggestion that the DNR consider a property for acquisition. Individuals wanting to submit a nomination must complete a short form.

Nominations are compiled by the DNR's GCACS and provided to the land managing bureaus/divisions of the DNR (Wildlife, Forest, Mineral and Fire Management, Parks and Recreation, and Fisheries) for reviews and to determine if the bureau/division wants to submit a MNRTF grant application for the property. Only those nominations which a DNR bureau/division decides to submit as an application are considered for funding, however, the MNRTF Board is provided a list of all nominations received.

Nominations may be submitted at any time, however, a list of the nominations received as of January 1, 2003 was provided to the Board at their April 2003 meeting. This gave the Board the opportunity to make note of properties of interest to the Board.

A total of four nominations were received in 2003, none of which were determined to be of high enough priority to be submitted as a Trust Fund application by one of the DNR's land managing bureaus/divisions.

Additional Board Activities for 2003

Proposal 2 of 2002 allowed the state to invest the corpus of the Trust Fund in equity investments. In anticipation of the move to equity investments, the MNRTF Board developed a plan to invest, in the near term, twenty-five percent of the Trust Fund corpus in equities and seventy-five per cent in fixed investments.

A sub-committee of two Board members, Mr. Steve Arwood and Mr. Sam Washington, was appointed by the Board chair, Mr. Jim Thompson, to assist staff in developing and implementing the investment strategy and the formulation of a stabilization fund to offset fluctuations in investments. Based on the recommendations of the sub-committee, the MNRTF Board, at its September 10, 2003 meeting, adopted Policy 03.1, "Use of Stabilization Reserve".

V. 2003 PROJECT EXPENDITURES

Expenditures made from the Trust Fund for calendar year 2003 for MNRTF grants and projects are provided in the lists in Appendix A. There are four separate lists: Local Government Acquisitions, Local Government Development Projects, State Acquisitions, and State Development Projects. These lists provide the following information:

- **Project Number**
- **Grant or Project Name**
- **Grantee Name:** The grant recipient for local projects.
- **Grant or Project Amount:** The local grant or DNR project amount approved by the MNRTF Board.
- **2003 Expenditures:** Expenditures made toward completing the project in 2003. For local acquisitions, this includes the grant or project amount plus additional costs directly associated with the project, such as DNR review and approval of local land appraisals. For recently approved acquisitions, if the expenditures listed are small and a large balance remains, the costs incurred in 2003 are those associated with appraisal of the property. The actual acquisition was not completed in calendar year 2003.
- **Balance:** Project or grant funds remaining **taking into account the 2003 expenditures and all prior year expenditures.**
- **2003 Acres:** For local and State acquisitions, if the property was acquired in 2003, or reported to the GCACS as a completed acquisition in 2003, the acres acquired is provided. If this column is blank, either the property was acquired in a prior year and any reported expenditures represent final close out costs (such as final payment to the grantee upon completion of a file audit) or the land has not been acquired. For lands not yet acquired, reported expenditures represent appraisal-related costs.

These 2003 expenditures represent only a part of the total project or grant amount, since costs are incurred over several fiscal years. These figures do not include local match expenditures for grants to local units of government.

VI. MICHIGAN NATURAL RESOURCES TRUST FUND FINANCIAL SUMMARY

The MNRTF financial report for 2003 (FY2003) is attached in Appendix B.

During FY2003 (10/1/02 through 9/30/03), \$50,262,938 in revenue was generated from mineral royalties, largely oil and gas, collected under Part 19 of Act 451. The Act provides for up to one-third of those dollars - \$16,754,312 - to be appropriated with \$10 million to be transferred to the State Park Endowment Fund. The remaining revenues are deposited into an interest-bearing principal account. A deposit of \$23,508,625 will be made to the principal balance, bringing the principal balance at the close of FY2003 to \$217,765,847. Interest earned on the fund in FY2003 totaled \$722,296.71.

The interest earnings, plus one-third of the mineral revenues are available for MNRTF projects and program administration. Administrative expenses for FY2003 totaled \$3,346,960.10. These costs include management of the minerals program within the Forest, Mineral and Fire Management Division, support for grants and acquisition staff in GCACS and Office of Land and Facilities and Department of Information Technology. The payments to local governments for in-lieu of taxes on State-owned lands purchased under the MNRTF program since 1987 are also included among the administrative costs.

Project and grant award recommendations made in calendar year 2003 were based on projected funds available for grants and DNR projects during FY2003 as shown on the attached financial report and as further described below:

Project Funds Available	Explanation
\$24,650,099	1/3 rd of the mineral (largely oil and gas) revenue and interest as described above. These funds were split between acquisition (80 percent, less administrative costs) and development (20 percent). While the Board is authorized to spend up to 25 percent on development, due to the large number of exceptional acquisition opportunities, in 2003 the Board opted to allocate 20 percent for development and 80 percent for acquisition.
\$26,260	Prior Year Revenue/Interest Adjustments. In most years, the Board's project recommendations are made prior to book closing for the fiscal year. Revenue and interest adjustments continue to be made until the fiscal year is closed. As such, there can be small adjustments that must be made in the following fiscal year.
\$24,676,358	Total Project Funds Available - Acquisition: \$19,062,000; Development: \$5,614,357
\$1,033,458	Year End Adjustment carried into Fiscal Year 2003

The above revenue and expenditure figures, which are taken from the attached report, are current as of February 27, 2004.

APPENDIX A: GRANT AND PROJECT EXPENDITURES FOR 2003

LOCAL GOVERNMENT ACQUISITION

TF #	GRANT NAME	GRANTEE	GRANT AMOUNT	2003 EXPENDITURES *	BALANCE	2003 ACRES
Act 81 of 2001						
00-065	Purchase of Bakers Field	Port Huron Township	375,000	318,567	56,433	58.00
00-328	Millennium Park Land Acquisition	Kent County	1,110,200	1,002,203	111,200	185.40
00-356	Meyer Addition to Nature Education Reserve	Grand Traverse County	786,509	78,651	0	
			2,271,709	1,399,421	167,633	243.40
Act 120 of 2001						
01-016	Ransom Lake Natural Area	Almira Township	859,920	85,992	0	
01-078	Millennium Park II	Kent County	3,390,000	965,735	2,427,186	14.40
01-115	Clinton River Trail Acquisition	City of Pontiac	412,160	232,742	179,418	10.94
01-046	Sylvan Lake Rail to Trail	City of Sylvan Lake	162,000	148,516	0	6.77
			4,824,080	1,432,985	2,606,605	32.11
Total Expenditures and Acres			\$7,095,789	\$2,832,405	\$2,774,238	275.51

APPENDIX A: GRANT EXPENDITURES FOR 2003

LOCAL GOVERNMENT DEVELOPMENT

TF #	GRANT NAME	GRANTEE	GRANT AMOUNT	2003 EXPENDITURES	BALANCE
Act 273 of 1998					
97-223	Riverside Park Seawall	City of Detroit	500,000	50,000	0
			500,000	50,000	0
Act 69 of 1999					
98-157	New Interpretive Center	City of Troy	466,000	46,600	0
			466,000	46,600	0
Act 265 of 1999					
99-111	Hawk Island County Park	Ingham County	493,000	49,300	0
99-117	Marina Point Development and Fishing Site	Huron-Clinton Metropolitan Authority	180,000	18,000	0
			673,000	67,300	0
Act 291 of 2000					
99-014	Elberta Historic Waterfront Trailhead Park	Village of Elberta	258,000	25,800	0
99-016	Curtiss Park Improvements	City of Saline	99,470	89,523	9,947
99-180	Boyne River Walk Project	City of Boyne City	187,925	36,082	0
99-193	Ott Preserve Improvements	Calhoun County	231,962	77,858	23,196
99-196	Lillie Park Restoration/Redevelopment	Pittsfield Township	219,724	43,697	0
99-250	Michigan Beach Park Improvements	City of Charlevoix	270,100	243,090	27,010
99-262	Rockport Picnic Fishing Pier	Alpena Township	50,300	11,643	5,030
99-266	Paint River Walk	City of Crystal Falls	167,090	68,986	16,709
99-353	Harbor Breakwall Walkway Extension	City of Alpena	155,685	24,964	0
99-401	Betsie Valley Trail	Benzie County	432,000	282,804	48,950
99-437	County Park Revitalization	Luce County	114,393	2,879	0
			2,186,649	907,326	130,842

APPENDIX A: GRANT AND PROJECT EXPENDITURES FOR 2003

LOCAL GOVERNMENT DEVELOPMENT

TF #	GRANT NAME	GRANTEE	GRANT AMOUNT	2003 EXPENDITURES	BALANCE
Act 506 of 2000					
00-006	College Avenue Park	City of Houghton	16,800	16,609	0
00-016	Southwest Lakeshore Development	City of Wakefield	136,000	58,909	41,806
00-024	Pine River Nature Center	St. Clair Intermediate School District	370,000	333,000	37,000
00-052	Hunter's Orchard Park Development	Delta Charter Township	65,000	27,336	0
00-058	Millennium Park Facilities Development	Kent County	50,000	450,000	50,000
00-076	Gun Lake County Park Improvements	Allegan County	155,881	15,555	0
00-077	Dumont Lake County Park Improvements	Allegan County	229,141	22,914	0
00-082	Gales Pond Boardwalk Extension	Oceana County	17,282	1,728	0
00-113	Pine Creek Trail Development	Park Township	335,775	33,578	0
00-139	Riverwalk Development	City of Marshall	191,444	108,172	0
00-146	Grayling Fish Interpretive Center	Crawford County	327,796	222,587	36,272
			<u>1,895,119</u>	<u>1,290,389</u>	<u>165,077</u>
Act 81 of 2001					
00-069	Fishing Access Boardwalks	Huron-Clinton Metropolitan Authority	180,000	49,859	130,141
00-092	New City Park Development	City of Auburn Hills	235,000	125,870	109,130
00-155	River Bend Park Improvements	City of Croswell	82,240	74,016	8,224
00-170	Linden Park Renovation	Genesee County	330,000	297,000	33,000
00-188	Deerfield Hills Development Project	Deerfield Township	31,220	28,098	3,122
00-275	Harbor Breakwall Walkway Extension	City of Alpena	153,481	13,017	35,036
00-311	Bear Creek Park Development	Oakland Township	313,302	281,972	31,330
00-339	Lillie Park South and East Development	Pittsfield Township	386,720	188,166	51,152
00-349	Antrim Creek Natural Area Development and Protection	Antrim County	143,154	14,315	0
00-354	Bay County Wetlands Improvements	Bay County	88,226	13,366	74,860
00-367	Lakeview Park Development	City of Portage	200,000	28,380	26,944
00-388	Nature Park by the Fish Hatchery	Grayling Township	230,000	76,627	153,373
			<u>2,373,343</u>	<u>1,190,686</u>	<u>656,312</u>

APPENDIX A: GRANT AND PROJECT EXPENDITURES FOR 2003

LOCAL GOVERNMENT DEVELOPMENT

TF #	GRANT NAME	GRANTEE	GRANT AMOUNT	2003 EXPENDITURES	BALANCE
Act 120 of 2001					
01-008	American Legion Park	City of St. Ignace	160,600	144,540	16,060
01-011	Hays Park Improvements	City of Watervliet	70,000	47,880	22,120
01-017	Rentz Park Development	City of Warren	120,500	87,700	32,800
01-022	Independence Oaks Youth Camp	Oakland County	163,200	64,139	99,061
01-023	East Paris Nature Park Development	City Kentwood	82,618	74,356	8,262
01-024	Hartrick Park Development	Meridian Township	488,125	104,457	383,668
01-029	Camp Petosega Campground Development	Emmet County	107,600	96,840	10,760
01-062	McQuisten Park Boardwalk	Munising Township	174,640	27,651	19,527
01-081	White Lake Pathway	City of Whitehall	426,600	54,320	0
01-087	Bay County Trail Improvements	Bay County	22,000	3,883	18,117
01-092	Community Park Development	Village of Saranac	165,470	148,923	16,547
01-128	Hersey Multi-Use Park	Village of Hersey	163,800	53,840	109,960
01-139	Belding Pathway	City of Belding	211,640	190,476	21,164
01-142	East Twin Lake Beach/Park/Boat Ramp Improvements	Albert Township	50,718	45,626	5,072
01-158	Rosy Mound Improvements	Ottawa County	500,000	165,464	334,536
01-159	Pigeon River Greenway Improvements	Ottawa County	471,000	276,867	194,133
01-165	Big Rapids Riverwalk	City of Big Rapids	493,300	402,728	90,572
01-166	Gen's Parks Improvement Project	East Bay Township	121,360	105,176	16,184
01-179	Kent Trails-Grandville Extension	City of Grandville	471,500	136,661	334,839
01-182	Saginaw Valley Rail Trail	Saginaw County	493,000	438,459	54,541
01-187	Chippewa River Restoration Project	City of Mt. Pleasant	500,000	435,533	64,467
01-192	Blue Lake Park Renovations	Muskegon County	115,200	103,680	11,520
			5,572,871	3,209,201	1,863,908
Total Expenditures			\$13,666,982	\$6,761,502	\$2,816,139

APPENDIX A: PROJECT EXPENDITURES FOR 2003

STATE ACQUISITION

TF #	PROJECT NAME	PROJECT AMOUNT	2003 EXPENDITURES *	BALANCE	2003 ACRES **
Act 81 of 2001					
00-240	Trail Acquisition Lump Sum	350,000	146,369	177,155	
00-401	MNRTF Board Small Acquisition Grants Initiative	350,000	6,755	200,079	
00-252	State Parks & Recreation Lump Sum	700,000	174,993	7,031	5.88
00-255	State Wildlife Lump Sum	950,000	267,884	3,777	37.52
		2,350,000	596,001	388,042	43.40
Act 120 of 2001					
01-196	Tip of the Keweenaw	5,000,000	117,820	0	0.00
01-222	Bass River Recreation Area Acq-Bakale Property	3,215,000	1,453	233,404	0.00
01-205	Mackinac Island State Park Land Acquisition	500,000	441,749	95,379	2.52
		8,715,000	561,022	328,782	2.52
Act 173 of 2003					
02-181	Alpena-Hawks Rogers City Trail Acquisition	850,000	710,725	133,078	309.00
		850,000	710,725	133,078	309.00
Total Expenditures and Acres		\$ 11,915,000	\$ 1,867,749	\$ 849,903	354.92

APPENDIX A: PROJECT EXPENDITURES FOR 2003

STATE DEVELOPMENT

TF #	PROJECT NAME	PROJECT AMOUNT	2003 EXPENDITURES	BALANCE
Act 265 of 1999				
99-300	Palms Book SP Interpretive Facilities Renovation	150,000	4,896	0
99-301	Bond Falls SP Initial Development	290,000	178,118	0
99-308	Rose Lake Shooting Range	500,000	548	0
		940,000	183,562	0
Act 506 of 2000				
00-250	Fishing Piers in So. Michigan State Parks	456,500	220,813	187,603
00-251	Pontiac Lake RA Shooting Range Upgrade	250,000	2,502	234,645
		706,500	223,315	422,248
Act 81 of 2001				
00-242	Hersey-Evart Trail Surfacing	350,000	307,109	31,354
		350,000	307,109	31,354
Act 120 of 2001				
01-204	State Forest Campground Access Improvement	500,000	420,417	41,265
		500,000	420,417	41,265
Total Expenditures		\$2,496,500	\$1,134,403	\$494,867

APPENDIX B
MICHIGAN DEPARTMENT OF NATURAL RESOURCES
 NATURAL RESOURCES TRUST FUND
 Revenue Report
 Fiscal Year Ended September 30, 2003

Revenue		Corpus	
Oil & Gas Revenue	50,262,938.84	Beginning Balance - 10/1/02	194,257,221.91
1/3 of Revenue	(16,754,312.95)	Deposit to Principal	23,508,625.89
State Parks Endowment Fund Transfer	(10,000,000.00)	Ending Balance as of 9/30/03	217,765,847.80
Amount to Principal Balance	23,508,625.89	Stabilization Reserve	12,757,857.99
		Total Corpus Investment Balance	230,523,705.79

	Acquisition	Development	Total
Balances from Lapses-FY 03 included in the Stabilization Reserve	5,837,908.91	670,062.19	6,507,971.10

	Source Funds	Available Funds	Calculation of Funds Available for Acquisition
Common Cash Interest	722,296.71	722,296.71	
Investment Income-5% of Corpus and Stabilization Reserve	10,170,872.83	10,170,872.83	
Miscellaneous Revenue	349,576.23	349,576.23	
Revenue (1/3)-Available to Appropriate	50,262,938.84	16,754,312.95	
	61,505,684.61	27,997,058.71	27,997,058.71
Less 20% of Available Funds for Development Projects FY 2003*			(5,599,411.74)
Less:			
Administrative Expenditures			
Grants Administration			(387,240.72)
Other DNR Divisions-(Internal Audit, Executive, HRD, I&E, Financial Services)			(314,654.76)
Other Departments-(Civil Service, Treasury)			(41,371.00)
Payment-in-Lieu of Taxes			(957,785.05)
FMFM Division-Minerals Management			(686,508.57)
Land Ownership Tracking System Development			(450,000.00)
DIT General Support			(446,900.00)
State Rent			(62,500.00)
Total Administrative Expenditures			(3,346,960.10)
Funds Available for Acquisition Projects FY 2003 From Interest and Revenue			19,050,686.87

Funds Available for Projects	Acquisition	Development	Total
	19,050,686.87	5,599,411.74	24,650,098.62
Add:			
Prior Year Revenue/Interest Adjustments	11,313.23	14,946.24	26,259.47
Total Funds Available FY 2003	19,062,000.10	5,614,357.98	24,676,358.09
Less:			
Approved projects-Act ___ of 2004	(18,040,200.00)	(5,602,700.00)	(23,642,900.00)
Funds remaining of FY 03 Available Funds	1,021,800.10	11,657.98	1,033,458.09

*Acquisition floor is 25%, development ceiling is 25%

** May be higher