

DEBT SERVICE FUNDS

COMBINED STATE TRUNKLINE BOND AND INTEREST REDEMPTION FUND

This fund was established pursuant to P.A. 51 of 1951, as amended, to account for debt service on all State Trunkline Fund-related bond issues. The bonds are not general obligations of the State. The bonds are payable solely out of funds restricted for transportation purposes by Article 9, Section 9, of the Michigan State Constitution and irrevocably pledged by law for deposit in the State Trunkline Fund. Debt service requirements are funded by annual appropriations in the State Trunkline Fund.

COMBINED COMPREHENSIVE TRANSPORTATION BOND AND INTEREST REDEMPTION FUND

This fund was established pursuant to P.A. 51 of 1951, as amended, to account for debt service on all Comprehensive Transportation Fund-related bond issues. The bonds are not general obligations of the State. The bonds are payable solely out of funds restricted for comprehensive transportation purposes by Article 9, Section 9, of the Michigan State Constitution and irrevocably pledged by law for deposit in the Comprehensive Transportation Fund. Debt service requirements are funded by annual appropriations in the Comprehensive Transportation Fund.

RECREATION AND ENVIRONMENTAL PROTECTION BOND REDEMPTION FUND

Public Acts 326 and 327 of 1988 established this fund to service bond issues of the Recreation Bond Fund-Local Projects, Recreation Bond Fund-State Projects, and the Environmental Protection Bond Fund. Also pursuant to P.A. 284 of 1998 and Part 196 of P.A. 451 of 1994, the fund services bond issues of the Clean Michigan Initiative Bond Fund-Local Projects, Clean Michigan Initiative Bond Fund-State Projects, and Clean Michigan Initiative Bond Fund-Environmental Projects. Financing of debt retirement, interest expense, and paying agent fees is provided by annual legislative appropriation from the General Fund.

SCHOOL LOAN BOND REDEMPTION FUND

Public Act 74 of 1955 and P. A. 112 of 1961 created this fund to account for debt service on general obligation bonds issued to finance loans to local school districts. The School Bond Loan Fund, a special revenue fund, receives the State bond proceeds and makes the loans. Financing of debt retirement, interest expense, and paying agent fees is provided by annual legislative appropriation from the General Fund.

STATE BUILDING AUTHORITY

The State Building Authority was created pursuant to P.A. 183 of 1964, as amended, to issue bonds to finance the acquisition or renovation of buildings for use by the State or public institutions of higher education. Public Act 248 of 1988 also permits Authority bonding of state equipment.

The Authority's projects are financed by revenue bonds, the proceeds of which can only be used for construction and debt service on projects related to particular bond issues. During construction, debt service requirements are financed by a portion of the bond proceeds that are dedicated for that purpose. For completed projects, the resources to finance bond interest and redemption are provided by transfers from the General Fund and from investment earnings of this fund. When a project is completed, the remaining net assets are transferred to this fund where they are invested and used for debt service. Excess balances related to a particular bond series remaining in the fund after the final payment on the bond series are transferred to the General Fund.

MICHIGAN UNDERGROUND STORAGE TANK FINANCIAL ASSURANCE FINANCE AUTHORITY

The Michigan Underground Storage Tank Financial Assurance Finance Authority was established in 1993 and operates under Part 215 of P.A. 451 of 1994, as amended, to provide financing for the activities of the Michigan Underground Storage Tank Financial Assurance Fund. A five-member board of directors governs the Authority.

Michigan

COMBINING BALANCE SHEET
DEBT SERVICE FUNDS
 SEPTEMBER 30, 2002
 (In Thousands)

	<u>COMBINED STATE TRUNKLINE BOND AND INTEREST REDEMPTION FUND</u>	<u>COMBINED COMPREHENSIVE TRANSPORTATION BOND AND INTEREST REDEMPTION FUND</u>	<u>RECREATION AND ENVIRONMENTAL PROTECTION BOND REDEMPTION FUND</u>
ASSETS			
Current Assets:			
Cash	\$ -	\$ -	\$ -
Equity in common cash	190	-	-
Amounts due from other funds	-	-	-
Investments	-	-	-
Other current assets	-	-	-
Total Current Assets	<u>190</u>	<u>-</u>	<u>-</u>
Investments	<u>-</u>	<u>-</u>	<u>-</u>
Total Assets	<u>\$ 190</u>	<u>\$ -</u>	<u>\$ -</u>
LIABILITIES AND FUND BALANCES			
Current Liabilities:			
Accounts payable and other liabilities	\$ 190	\$ -	\$ -
Amounts due to other funds	-	-	-
Total Current Liabilities	<u>190</u>	<u>-</u>	<u>-</u>
Total Liabilities	<u>190</u>	<u>-</u>	<u>-</u>
Fund Balances:			
Unreserved	<u>-</u>	<u>-</u>	<u>-</u>
Total Fund Balances	<u>-</u>	<u>-</u>	<u>-</u>
Total Liabilities and Fund Balances	<u>\$ 190</u>	<u>\$ -</u>	<u>\$ -</u>

Michigan

SCHOOL LOAN BOND REDEMPTION FUND	STATE BUILDING AUTHORITY	MICHIGAN UNDERGROUND STORAGE TANK FINANCIAL ASSURANCE FINANCE AUTHORITY	TOTALS SEPTEMBER 30, 2002
\$ -	\$ -	\$ 5,125	\$ 5,125
-	-	6,344	6,534
-	301	5,276	5,577
-	259,392	121,500	380,891
-	622	-	622
-	<u>260,314</u>	<u>138,244</u>	<u>398,749</u>
-	14,641	-	14,641
<u>\$ -</u>	<u>\$ 274,955</u>	<u>\$ 138,244</u>	<u>\$ 413,389</u>
\$ -	\$ 133	\$ 5,155	\$ 5,478
-	8	1,000	1,008
-	141	6,155	6,486
-	141	6,155	6,486
-	<u>274,813</u>	<u>132,089</u>	<u>406,903</u>
-	<u>274,813</u>	<u>132,089</u>	<u>406,903</u>
<u>\$ -</u>	<u>\$ 274,955</u>	<u>\$ 138,244</u>	<u>\$ 413,389</u>

Michigan

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
DEBT SERVICE FUNDS
 FISCAL YEAR ENDED SEPTEMBER 30, 2002
 (In Thousands)

	<u>COMBINED STATE TRUNKLINE BOND AND INTEREST REDEMPTION FUND</u>	<u>COMBINED COMPREHENSIVE TRANSPORTATION BOND AND INTEREST REDEMPTION FUND</u>	<u>RECREATION AND ENVIRONMENTAL PROTECTION BOND REDEMPTION FUND</u>
REVENUES			
Miscellaneous	\$ -	\$ 1	\$ -
Total Revenues	-	1	-
EXPENDITURES			
Current:			
General government	-	-	970
Education	-	-	-
Transportation	683	616	-
Debt Service:			
Bond principal retirement	19,690	11,130	33,141
Bond interest and fiscal charges	47,003	10,221	36,304
Total Expenditures	67,376	21,967	70,416
Excess of Revenues over (under) Expenditures	(67,375)	(21,967)	(70,416)
OTHER FINANCING SOURCES (USES)			
Premium on bond issuance	6,630	6,023	20,829
Refunding bonds issued	97,870	89,620	215,530
Payment to refunded bond escrow agent	(103,817)	(95,027)	(235,389)
Transfers from other funds	66,693	21,351	69,445
Transfers to other funds	-	(1)	-
Total Other Financing Sources (Uses)	67,375	21,967	70,416
Excess of Revenues and Other Sources over (under) Expenditures and Other Uses	-	-	-
Fund Balances - Beginning of fiscal year	-	-	-
Fund Balances - End of fiscal year	\$ -	\$ -	\$ -

Michigan

SCHOOL LOAN BOND REDEMPTION FUND	STATE BUILDING AUTHORITY	MICHIGAN UNDERGROUND STORAGE TANK FINANCIAL ASSURANCE FINANCE AUTHORITY	TOTALS SEPTEMBER 30, 2002
\$ -	\$ 4,593	\$ 1,959	\$ 6,553
-	4,593	1,959	6,553
383	-	55	1,408
-	822	-	822
-	-	-	1,299
32,670	115,100	15,070	226,801
15,398	106,745	8,767	224,438
48,451	222,667	23,892	454,768
(48,451)	(218,074)	(21,933)	(448,215)
8,329	-	-	41,811
85,125	-	-	488,145
(93,071)	-	-	(527,303)
48,068	265,982	66,207	537,746
-	-	(4,000)	(4,001)
48,451	265,982	62,207	536,398
-	47,908	40,275	88,182
-	226,906	91,815	318,721
\$ -	\$ 274,813	\$ 132,089	\$ 406,903



CAPITAL PROJECTS FUNDS

COMBINED RECREATION BOND FUND - STATE PROJECTS

Established in 1988, this fund currently operates under Parts 196, 715, and 741 of P.A. 451 of 1994, as amended. The balances in the fund reflect proceeds and investment earnings remaining from three bond packages: \$70 million of general obligation bonds approved by voters in November 1988 as part of a \$140 million bond package for financing State and local public recreation projects, \$50 million of general obligation bonds approved by voters in November 1998 as part of a \$675 million bond package known as the "Clean Michigan Initiative", and \$15.5 million of State Park Gross Revenue Bonds issued in September 2002.

Proceeds from the 1988 bond package are used to construct, expand, and develop recreational facilities at State parks. Proceeds from the 1998 bond package are used for infrastructure improvements at State parks with the installation or upgrade of drinking water systems or rest room facilities as a first priority. Proceeds from the 2002 bond package are being used to finance a major renovation of the Sterling State Park.

ADVANCE FINANCING FUNDS

The Advance Financing Funds reflects the activities of two sub-funds: the State Building Authority Advance Financing Fund and the Site Preparation Economic Development Fund.

The State Building Authority Advance Financing Fund was administratively established to account for expenditures incurred for equipment, higher education, and State projects prior to the issuance of State Building Authority bonds. Appropriation acts and concurrent resolutions provide temporary financing of such expenditures for legislatively authorized projects. Expenditures on behalf of the State Building Authority are recorded when incurred. At year-end, any deficit in the common cash pool is reclassified as a payable to the General Fund. In addition to advance expenditures, expenditures financed by the General Fund or other sources related to State Building Authority projects are recorded in this fund.

The State Building Authority, in its separately issued statements, does not recognize liabilities for these projects until bonds or commercial paper are issued; therefore, no receivable from the Authority is recognized in this fund prior to bond or commercial paper issuance. This results in the fund showing a year-end fund balance deficit. The Authority will reimburse this fund by recording a transfer and the deficit attributable to the bonded projects will be eliminated when the Authority issues bonds or obtains commercial paper.

The Site Preparation Economic Development Fund was created by P.A. 265 of 1999 to account for expenditures incurred to prepare and sell State owned sites declared as surplus that would provide economic benefit to the area or State. Expenditures are recorded when incurred. Sale proceeds of fund properties are deposited into the fund.

STATE BUILDING AUTHORITY

The State Building Authority was created pursuant to P.A. 183 of 1964, as amended, to issue bonds to finance the acquisition or renovation of buildings for use by the State or public institutions of higher education. Public Act 248 of 1988 also permits Authority bonding of State equipment. The Authority's five board members are appointed by the Governor.

This capital projects fund accounts for the construction of State projects, certain equipment financing, and higher education related projects. Transfers out reflect transfers to the debt service fund of proceeds dedicated for debt service during construction, reimbursements of expenditures to the State Building Authority Advance Financing Fund, and the transfer of net assets remaining after the completion of a project to the debt service fund. In the State's Government-wide Financial Statements, accumulated expenditures for incomplete projects are reflected as "construction in progress" and completed projects are recorded as "buildings."

Michigan

**COMBINING BALANCE SHEET
CAPITAL PROJECTS FUNDS
SEPTEMBER 30, 2002
(In Thousands)**

	COMBINED RECREATION BOND FUND- STATE PROJECTS	ADVANCE FINANCING FUNDS	STATE BUILDING AUTHORITY	TOTALS SEPTEMBER 30, 2002
ASSETS				
Current Assets:				
Equity in common cash	\$ 11,151	\$ -	\$ -	\$ 11,151
Amounts due from other funds	-	142,834	-	142,834
Amounts due from component units	-	34,529	-	34,529
Amounts due from federal agencies	-	283	-	283
Amounts due from local units	-	15,090	-	15,090
Investments	-	-	70,319	70,319
Other current assets	-	476	86	562
Total Current Assets	<u>11,151</u>	<u>193,212</u>	<u>70,405</u>	<u>274,768</u>
Total Assets	<u>\$ 11,151</u>	<u>\$ 193,212</u>	<u>\$ 70,405</u>	<u>\$ 274,768</u>
LIABILITIES AND FUND BALANCES				
Current Liabilities:				
Warrants outstanding	\$ 9	\$ 421	\$ -	\$ 430
Accounts payable and other liabilities	2,780	179,337	708	182,824
Amounts due to other funds	-	73,672	143,135	216,807
Interest payable	-	-	333	333
Total Current Liabilities	<u>2,789</u>	<u>253,430</u>	<u>144,176</u>	<u>400,395</u>
Total Liabilities	<u>2,789</u>	<u>253,430</u>	<u>144,176</u>	<u>400,395</u>
Fund Balances:				
Reserves For:				
Construction and debt service	-	-	33,150	33,150
Total Reserved	<u>-</u>	<u>-</u>	<u>33,150</u>	<u>33,150</u>
Unreserved	<u>8,362</u>	<u>(60,218)</u>	<u>(106,921)</u>	<u>(158,776)</u>
Total Fund Balances	<u>8,362</u>	<u>(60,218)</u>	<u>(73,771)</u>	<u>(125,627)</u>
Total Liabilities and Fund Balances	<u>\$ 11,151</u>	<u>\$ 193,212</u>	<u>\$ 70,405</u>	<u>\$ 274,768</u>

Michigan

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
CAPITAL PROJECTS FUNDS
FISCAL YEAR ENDED SEPTEMBER 30, 2002
(In Thousands)

	<u>COMBINED RECREATION BOND FUND- STATE PROJECTS</u>	<u>ADVANCE FINANCING FUNDS</u>	<u>STATE BUILDING AUTHORITY</u>	<u>TOTALS SEPTEMBER 30, 2002</u>
REVENUES				
From federal agencies	\$ -	\$ 550	\$ -	\$ 550
Miscellaneous	178	-	1,180	1,359
Total Revenues	<u>178</u>	<u>550</u>	<u>1,180</u>	<u>1,909</u>
EXPENDITURES				
Current:				
General government	-	1,472	-	1,472
Education	-	7,804	188,317	196,121
Conservation, environment, recreation, and agriculture	337	-	-	337
Capital outlay	<u>28,302</u>	<u>38,004</u>	<u>128,003</u>	<u>194,309</u>
Total Expenditures	<u>28,640</u>	<u>47,280</u>	<u>316,320</u>	<u>392,239</u>
Excess of Revenues over (under) Expenditures	<u>(28,461)</u>	<u>(46,730)</u>	<u>(315,139)</u>	<u>(390,330)</u>
OTHER FINANCING SOURCES (USES)				
Bonds and notes issued	36,907	-	535,555	572,462
Premium on bond issuance	1,517	-	11,827	13,344
Extinguishment of commercial paper	-	-	(51,890)	(51,890)
Transfers from other funds	-	161,971	-	161,971
Transfers to other funds	<u>(4)</u>	<u>-</u>	<u>(158,715)</u>	<u>(158,719)</u>
Total Other Financing Sources (Uses)	<u>38,419</u>	<u>161,971</u>	<u>336,777</u>	<u>537,168</u>
Excess of Revenues and Other Sources over (under) Expenditures and Other Uses	9,958	115,242	21,638	146,838
Fund Balances - Beginning of fiscal year	<u>(1,596)</u>	<u>(175,460)</u>	<u>(95,409)</u>	<u>(272,464)</u>
Fund Balances - End of fiscal year	<u>\$ 8,362</u>	<u>\$ (60,218)</u>	<u>\$ (73,771)</u>	<u>\$ (125,627)</u>



PERMANENT FUNDS

MICHIGAN NATURAL RESOURCES TRUST FUND

The State Constitution was amended in 1984 to provide for the Michigan Natural Resources Trust Fund. The fund, established in 1985, operates under Part 19 of P.A. 451 of 1994, as amended. Most rentals, royalties, and other revenues derived from mineral, coal, oil, and gas interests on State-owned land are credited to the fund. Public Act 451 of 1994 directs a portion (50%, up to \$10 million per year) of these revenues to the Michigan State Parks Endowment Fund. The voters approved a constitutional amendment in August 2002, which increased the amount that can be accumulated to \$500 million, modified the distribution formula, and allows the State Treasurer to invest in equity securities and other types of investments.

In accordance with statutory provisions, this fund is to accumulate up to \$500 million in reserves for permanent investments. The amount accumulated toward this cap is shown as a reservation of fund balance. Investment earnings and one-third of royalty earnings are available for appropriation. Two-thirds of royalty earnings, less the portion transferred to the Michigan State Park Endowment Fund, are added to amounts held for permanent investments until the investment reserve reaches \$500 million. After that time, all royalties, less the portion transferred to the Michigan State Park Endowment Fund, are restricted for investment and only interest is available for appropriation. Appropriations are used to fund grants to local units of government as well as State agencies to acquire land or develop public recreation facilities and to pay property taxes on state lands acquired by the fund.

MICHIGAN STATE PARKS ENDOWMENT FUND

Established in 1994, this fund operates under Part 741 of P.A. 451 of 1994, as amended, to finance operations, maintenance, and capital improvements at Michigan State parks. The voters approved a constitutional amendment in August 2002 that changed the distribution formula and allows the State Treasurer to invest in equity securities and other types of investments.

The fund was established with a \$40 million transfer from the sale of the Accident Fund of Michigan to provide funds for permanent investment. By statute, up to \$10 million per year of revenues from oil and gas bonuses, rentals, and royalties from State-owned land are deposited into this fund until the Michigan Natural Resources Trust Fund reaches an accumulated principal of \$500 million after which time all revenue previously going to that fund will go to this fund. The fund's investment reserve will be capped at \$800 million. The legislature is limited to appropriating no more than 50% of the amount transferred from the Natural Resources Trust Fund plus interest and investment earnings. When the fund's reserve reaches \$800 million, only the interest and earnings in excess of the amount needed to maintain the \$800 million principal limit may be expended.

MICHIGAN CIVILIAN CONSERVATION CORPS ENDOWMENT FUND

Public Act 394 of 1994, as amended, established this fund for the purpose of conserving, improving, and developing the State's natural resources, and for enhancing, preserving, and maintaining public lands and waters through the employment of residents of this State in work training programs.

Twenty million dollars earmarked from the sale of the Accident Fund of Michigan provided the fund's permanent investment reserve. Only the interest and earnings of the fund can be expended.

MICHIGAN VETERANS' TRUST FUND

Public Act 9 of 1946 (First Extra Session) created this fund to finance programs to assist veterans and their beneficiaries. A seven-member board of trustees governs the fund. Resources are provided by investment and common cash earnings and by transfers from the General Fund. Expenditures and transfers out reflect grants to veterans and their widows or dependents, and administrative costs at both the State and local level. The fund is administered within the Department of Military and Veterans Affairs.

CHILDREN'S TRUST FUND

Public Act 249 of 1982 established the Children's Trust Fund to support the State Child Abuse and Neglect Prevention Board. The Board was established under P.A. 250 of 1982 to coordinate and fund activities for the prevention of child abuse and neglect in the State.

Public Act 291 of 2000 provided for a transfer of \$13.1 million from the General Fund during fiscal year 1999-2000 to bring the fund's total assets to an amount exceeding \$20 million. Only the earnings credited to the fund are available for disbursement once the total assets of the fund exceed \$20 million corpus. Revenues are derived primarily from grants from the federal government, gifts and donations, and interest on investments.

Michigan

**COMBINING BALANCE SHEET
PERMANENT FUNDS
SEPTEMBER 30, 2002
(In Thousands)**

	<u>MICHIGAN NATURAL RESOURCES TRUST FUND</u>	<u>MICHIGAN STATE PARKS ENDOWMENT FUND</u>	<u>MICHIGAN CIVILIAN CONSERVATION CORPS ENDOWMENT FUND</u>
ASSETS			
Current Assets:			
Equity in common cash	\$ 87,309	\$ 29,351	\$ 3,682
Amounts due from local units	-	-	-
Securities lending collateral	15,489	6,568	-
Other current assets	9,022	1,443	237
Total Current Assets	<u>111,820</u>	<u>37,362</u>	<u>3,919</u>
Investments	<u>177,093</u>	<u>89,159</u>	<u>16,806</u>
Total Assets	<u>\$ 288,914</u>	<u>\$ 126,521</u>	<u>\$ 20,725</u>
LIABILITIES AND FUND BALANCES			
Current Liabilities:			
Warrants outstanding	\$ 1,214	\$ 39	\$ 27
Obligations under security lending	15,489	6,568	-
Accounts payable and other liabilities	7,565	431	130
Amounts due to other funds	7	4	1
Amounts due to component units	-	-	-
Total Current Liabilities	<u>24,274</u>	<u>7,041</u>	<u>158</u>
Total Liabilities	<u>24,274</u>	<u>7,041</u>	<u>158</u>
Fund Balances:			
Reserves For:			
Budgetary Carry-Forwards:			
Encumbrances	16,725	1,475	8
Multi-year projects	16,575	559	-
Funds held as permanent investments	203,417	106,018	20,174
Total Reserved	<u>236,717</u>	<u>108,052</u>	<u>20,181</u>
Unreserved	<u>27,922</u>	<u>11,428</u>	<u>386</u>
Total Fund Balances	<u>264,639</u>	<u>119,480</u>	<u>20,567</u>
Total Liabilities and Fund Balances	<u>\$ 288,914</u>	<u>\$ 126,521</u>	<u>\$ 20,725</u>

Michigan

MICHIGAN VETERANS' TRUST FUND	CHILDREN'S TRUST FUND	TOTALS SEPTEMBER 30, 2002
\$ 13,109 124 9,179 264 <hr style="width: 100%;"/> 22,676 <hr style="width: 100%;"/> 38,388 <hr style="width: 100%;"/> \$ 61,064 <hr style="width: 100%;"/>	\$ 3,587 - - 241 <hr style="width: 100%;"/> 3,828 <hr style="width: 100%;"/> 18,320 <hr style="width: 100%;"/> \$ 22,148 <hr style="width: 100%;"/>	\$ 137,038 124 31,236 11,206 <hr style="width: 100%;"/> 179,604 <hr style="width: 100%;"/> 339,767 <hr style="width: 100%;"/> \$ 519,371 <hr style="width: 100%;"/>
\$ 27 9,179 2,925 3 100 <hr style="width: 100%;"/> 12,234 <hr style="width: 100%;"/> 12,234	\$ 1 - 99 2 - <hr style="width: 100%;"/> 102 <hr style="width: 100%;"/> 102	\$ 1,307 31,236 11,150 16 100 <hr style="width: 100%;"/> 43,810 <hr style="width: 100%;"/> 43,810
1 - 49,000 <hr style="width: 100%;"/> 49,001 <hr style="width: 100%;"/> (172) <hr style="width: 100%;"/> 48,829 <hr style="width: 100%;"/> \$ 61,064 <hr style="width: 100%;"/>	103 - 21,048 <hr style="width: 100%;"/> 21,152 <hr style="width: 100%;"/> 895 <hr style="width: 100%;"/> 22,046 <hr style="width: 100%;"/> \$ 22,148 <hr style="width: 100%;"/>	18,311 17,134 399,658 <hr style="width: 100%;"/> 435,102 <hr style="width: 100%;"/> 40,459 <hr style="width: 100%;"/> 475,561 <hr style="width: 100%;"/> \$ 519,371 <hr style="width: 100%;"/>

Michigan

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
PERMANENT FUNDS
 FISCAL YEAR ENDED SEPTEMBER 30, 2002
 (In Thousands)

	<u>MICHIGAN NATURAL RESOURCES TRUST FUND</u>	<u>MICHIGAN STATE PARKS ENDOWMENT FUND</u>	<u>MICHIGAN CIVILIAN CONSERVATION CORPS ENDOWMENT FUND</u>
REVENUES			
From federal agencies	\$ -	\$ -	\$ -
Miscellaneous	<u>47,619</u>	<u>6,433</u>	<u>1,209</u>
Total Revenues	<u>47,619</u>	<u>6,433</u>	<u>1,209</u>
EXPENDITURES			
Current:			
Family independence services	-	-	-
Public safety and corrections	-	-	-
Conservation, environment, recreation, and agriculture	4,891	4,951	1,559
Capital outlay	<u>38,115</u>	<u>897</u>	<u>-</u>
Total Expenditures	<u>43,006</u>	<u>5,848</u>	<u>1,559</u>
Excess of Revenues over (under) Expenditures	<u>4,613</u>	<u>585</u>	<u>(350)</u>
OTHER FINANCING SOURCES (USES)			
Transfers from other funds	-	10,000	-
Transfers to other funds	<u>(10,046)</u>	<u>(32)</u>	<u>(10)</u>
Total Other Financing Sources (Uses)	<u>(10,046)</u>	<u>9,968</u>	<u>(10)</u>
Excess of Revenues and Other Sources over (under) Expenditures and Other Uses	(5,434)	10,553	(360)
Fund Balances - Beginning of fiscal year	<u>270,073</u>	<u>108,927</u>	<u>20,927</u>
Fund Balances - End of fiscal year	<u>\$ 264,639</u>	<u>\$ 119,480</u>	<u>\$ 20,567</u>

Michigan

<u>MICHIGAN VETERANS' TRUST FUND</u>	<u>CHILDREN'S TRUST FUND</u>	<u>TOTALS SEPTEMBER 30, 2002</u>
\$ -	\$ 822	\$ 822
<u>2,881</u>	<u>2,148</u>	<u>60,289</u>
<u>2,881</u>	<u>2,971</u>	<u>61,112</u>
-	2,601	2,601
4,105	-	4,105
-	-	11,401
<u>-</u>	<u>-</u>	<u>39,012</u>
<u>4,105</u>	<u>2,601</u>	<u>57,119</u>
<u>(1,225)</u>	<u>370</u>	<u>3,993</u>
-	10	10,010
<u>(8)</u>	<u>(5)</u>	<u>(10,102)</u>
<u>(8)</u>	<u>5</u>	<u>(92)</u>
(1,233)	374	3,901
<u>50,062</u>	<u>21,672</u>	<u>471,660</u>
<u>\$ 48,829</u>	<u>\$ 22,046</u>	<u>\$ 475,561</u>

Michigan

**COMBINING SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL -
PERMANENT FUNDS**

FISCAL YEAR ENDED SEPTEMBER 30, 2002

(In Thousands)

Statutory/Budgetary Basis	MICHIGAN NATURAL RESOURCES TRUST FUND			MICHIGAN STATE PARKS ENDOWMENT FUND		
	BUDGET	ACTUAL	VARIANCE	BUDGET	ACTUAL	VARIANCE
REVENUES AND OTHER SOURCES						
From federal agencies	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Miscellaneous	47,619	47,619	-	6,433	6,433	-
Transfers in	-	-	-	10,000	10,000	-
	47,619	47,619	-	16,433	16,433	-
EXPENDITURES, TRANSFERS OUT, AND ENCUMBRANCES - BY BRANCH, DEPARTMENT/AGENCY						
Family Independence Agency	-	-	-	-	-	-
Military and Veterans Affairs	-	-	-	-	-	-
Natural Resources	80,583	69,777	10,806	7,422	7,354	68
	80,583	69,777	10,806	7,422	7,354	68
Revenues and Other Sources over (under) Expenditures, Encumbrances, and Other Uses (Statutory/budgetary basis)	<u>\$ (32,964)</u>	<u>(22,158)</u>	<u>\$ 10,806</u>	<u>\$ 9,011</u>	<u>9,079</u>	<u>\$ 68</u>
Reconciling Items:						
Encumbrances at September 30		16,725			1,475	
Net Reconciling Items		16,725			1,475	
Excess of Revenues and Other Sources over (under) Expenditures and Other Uses (GAAP Basis)		(5,434)			10,553	
FUND BALANCES (GAAP BASIS)						
Beginning balances		270,073			108,927	
Ending balances (GAAP Basis)		<u>\$ 264,639</u>			<u>\$ 119,480</u>	

Michigan

MICHIGAN CIVILIAN CONSERVATION CORPS ENDOWMENT FUND			MICHIGAN VETERANS' TRUST FUND		
BUDGET	ACTUAL	VARIANCE	BUDGET	ACTUAL	VARIANCE
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
1,209	1,209	-	2,881	2,881	-
-	-	-	-	-	-
1,209	1,209	-	2,881	2,881	-
-	-	-	-	-	-
-	-	-	4,771	4,115	657
1,579	1,576	3	-	-	-
1,579	1,576	3	4,771	4,115	657
<u>\$ (370)</u>	<u>(367)</u>	<u>\$ 3</u>	<u>\$ (1,891)</u>	<u>(1,234)</u>	<u>\$ 657</u>
	8			1	
	8			1	
	(360)			(1,233)	
	20,927			50,062	
	<u>\$ 20,567</u>			<u>\$ 48,829</u>	

This schedule continued on next page.

Michigan

**COMBINING SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL -
PERMANENT FUNDS**
FISCAL YEAR ENDED SEPTEMBER 30, 2002
(In Thousands)

Statutory/Budgetary Basis	CHILDREN'S TRUST FUND			TOTALS		
	BUDGET	ACTUAL	VARIANCE	BUDGET	ACTUAL	VARIANCE
REVENUES AND OTHER SOURCES						
From federal agencies	\$ 822	\$ 822	\$ -	\$ 822	\$ 822	\$ -
Miscellaneous	2,148	2,148	-	60,289	60,289	-
Transfers in	10	10	-	10,010	10,010	-
Total Revenues and Other Sources	<u>2,981</u>	<u>2,981</u>	<u>-</u>	<u>71,122</u>	<u>71,122</u>	<u>-</u>
EXPENDITURES, TRANSFERS OUT, AND ENCUMBRANCES - BY BRANCH, DEPARTMENT/AGENCY						
Family Independence Agency	3,014	2,709	304	3,014	2,709	304
Military and Veterans Affairs	-	-	-	4,771	4,115	657
Natural Resources	-	-	-	89,583	78,707	10,876
Total Expenditures, Transfers Out, and Encumbrances	<u>3,014</u>	<u>2,709</u>	<u>304</u>	<u>97,369</u>	<u>85,531</u>	<u>11,837</u>
Revenues and Other Sources over (under) Expenditures, Encumbrances, and Other Uses (Statutory/budgetary basis)	<u>\$ (33)</u>	<u>271</u>	<u>\$ 304</u>	<u>\$ (26,247)</u>	<u>(14,410)</u>	<u>\$ 11,837</u>
Reconciling Items:						
Encumbrances at September 30		<u>103</u>			<u>18,311</u>	
Net Reconciling Items		<u>103</u>			<u>18,311</u>	
Excess of Revenues and Other Sources over (under) Expenditures and Other Uses (GAAP Basis)		<u>374</u>			<u>3,901</u>	
FUND BALANCES (GAAP BASIS)						
Beginning balances		<u>21,672</u>			<u>471,660</u>	
Ending balances (GAAP Basis)		<u>\$ 22,046</u>			<u>\$ 475,561</u>	

INTERNAL SERVICE FUNDS

CORRECTIONAL INDUSTRIES REVOLVING FUND

Created by P.A. 210 of 1935 and continued by P.A. 15 of 1968, this fund accounts for the financial transactions of a manufacturing and processing industry, employing inmates incarcerated in Michigan's correctional institutions. Public Act 245 of 1980 expanded the fund's sales market to include institutions of this or any other state or political subdivision thereof, the federal government or its agencies, and certain tax-exempt organizations.

Public Act 205 of 1986 stipulates that the fund repay the General Fund for the cost of building and equipping prison factories included as part of new prison construction. The costs of buildings and equipment are to be repaid over 30 years and 10 years respectively. The repayment provisions, as stipulated in Executive Order 1992-13, resulted in no required payment in fiscal year 2001-2002, however \$1 million was paid against the principal because sufficient cash was available.

MOTOR TRANSPORT FUND

This fund was created by P.A. 260 of 1947 and continued by P.A. 431 of 1984 to provide vehicle and travel services for State agencies. Activities include lease, purchase, replacement, and maintenance of automotive equipment. Vehicles are available to agencies on a permanently assigned basis or through the motor pool for short-term usage and are furnished to agencies at a rate sufficient to cover all costs of operation and maintenance. Agencies are billed on a monthly basis for services rendered.

OFFICE SERVICES REVOLVING FUND

Created by P.A. 262 of 1952, this fund provides services in the following areas: printing, reproduction, microfilm, mailing, distribution of federal and state surplus property, and materials management. The cost of the services or supplies is charged to user departments and agencies. Resultant revenue is credited to the revolving fund and is used for administration and operation of the program, including purchase of necessary equipment. During fiscal year 2001-2002, the use of the fund was expanded to account for the purchase of bulk gas used by State agencies.

INFORMATION TECHNOLOGY FUND

This fund was created by administrative decision to provide telecommunication and information technology services for State agencies. User agencies are billed for the cost of such services. During fiscal year 2001-2002, the use of this fund was expanded to account for all information technology activities of the executive branch as prescribed in Executive Order 2001-03.

RISK MANAGEMENT FUND

Administratively established, this fund accounts for certain centralized risk management functions performed by the Department of Management and Budget for other State agencies. Currently, the fund has assumed a degree of risk for the automotive liability. This activity and administrative functions are recorded as operating activity of the fund. An activity of the fund for which the fund assumes no risk is the centralized processing of workers' compensation payments for State agencies. Workers' compensation long-term claim liabilities are recorded in the Government-wide Financial Statements and the related current year workers' compensation expenditures are recorded in the applicable funds.

STATE SPONSORED GROUP INSURANCE FUND

This fund was administratively established to reflect the financial transactions of the State sponsored insurance plans that provide health, long-term disability, life, vision, and dental coverage for participating employees and retirees. The plans' funding methods range from those where the State is fully self-insured to those where an outside carrier assumes partial risk on a contracted basis. A note to the Government-wide Financial Statements entitled "Risk Management" provides additional information about this fund.

The amounts reflected as amounts due from other funds include reclassifications of other funds' negative balances in the common cash pool.

Michigan

COMBINING STATEMENT OF NET ASSETS
INTERNAL SERVICE FUNDS
 SEPTEMBER 30, 2002
 (In Thousands)

	CORRECTIONAL INDUSTRIES REVOLVING FUND	MOTOR TRANSPORT FUND	OFFICE SERVICES REVOLVING FUND
ASSETS			
Current Assets:			
Cash	\$ -	\$ 49	\$ 75
Equity in common cash	2,979	-	-
Amounts due from other funds	-	-	-
Inventories	14,874	201	2,723
Other current assets	252	14,549	373
Total Current Assets	<u>18,105</u>	<u>14,798</u>	<u>3,171</u>
Capital Assets:			
Buildings and equipment	43,970	13,964	26,756
Allowance for depreciation	<u>(19,749)</u>	<u>(10,064)</u>	<u>(13,899)</u>
Total capital assets	24,222	3,900	12,856
Other noncurrent assets	-	955	-
Total Assets	<u>\$ 42,326</u>	<u>\$ 19,654</u>	<u>\$ 16,027</u>
LIABILITIES			
Current Liabilities:			
Warrants outstanding	\$ 401	\$ 20	\$ 188
Accounts payable and other liabilities	1,386	2,645	5,804
Amounts due to other funds	61	14,026	3,869
Deferred revenue	-	641	-
Current portion of other long-term obligations	78	24	1,662
Total Current Liabilities	<u>1,926</u>	<u>17,357</u>	<u>11,523</u>
Long-Term Liabilities:			
Advances from other funds	6,210	-	-
Noncurrent portion of other long-term obligations	<u>1,069</u>	<u>267</u>	<u>5,150</u>
Total Liabilities	<u>\$ 9,205</u>	<u>\$ 17,624</u>	<u>\$ 16,673</u>
NET ASSETS			
Invested in capital assets, net of related debt	\$ 24,222	\$ 3,900	\$ 7,968
Restricted for other purposes	8,899	-	-
Unrestricted	<u>-</u>	<u>(1,870)</u>	<u>(8,614)</u>
Total Net Assets	<u>\$ 33,121</u>	<u>\$ 2,030</u>	<u>\$ (645)</u>

Michigan

INFORMATION TECHNOLOGY FUND	RISK MANAGEMENT FUND	STATE SPONSORED GROUP INSURANCE FUND	TOTALS SEPTEMBER 30, 2002
\$ -	\$ -	\$ 41	\$ 165
-	10,124	120,434	133,537
-	-	49,653	49,653
155	-	-	17,953
113	73	96,950	112,309
<u>268</u>	<u>10,197</u>	<u>267,078</u>	<u>313,617</u>
299,217	4	303	384,214
(199,076)	(4)	(303)	(243,096)
100,141	-	-	141,119
-	-	-	955
<u>\$ 100,409</u>	<u>\$ 10,197</u>	<u>\$ 267,078</u>	<u>\$ 455,692</u>
\$ 1,271	\$ 9	\$ 1,741	\$ 3,630
4,540	1,875	6,992	23,242
30,165	2	-	48,123
2,414	-	186	3,242
15,621	2,339	99,916	119,641
<u>54,011</u>	<u>4,225</u>	<u>108,836</u>	<u>197,878</u>
-	-	-	6,210
31,057	4,337	72,806	114,686
<u>\$ 85,069</u>	<u>\$ 8,562</u>	<u>\$ 181,641</u>	<u>\$ 318,774</u>
\$ 71,735	\$ -	\$ -	\$ 107,825
-	-	-	8,899
(56,395)	1,635	85,437	20,193
<u>\$ 15,340</u>	<u>\$ 1,635</u>	<u>\$ 85,437</u>	<u>\$ 136,917</u>

Michigan

COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS
INTERNAL SERVICE FUNDS
 FISCAL YEAR ENDED SEPTEMBER 30, 2002
 (In Thousands)

	CORRECTIONAL INDUSTRIES REVOLVING FUND	MOTOR TRANSPORT FUND	OFFICE SERVICES REVOLVING FUND
OPERATING REVENUES			
Operating revenues	\$ 42,308	\$ 66,427	\$ 71,074
Total Operating Revenues	<u>42,308</u>	<u>66,427</u>	<u>71,074</u>
OPERATING EXPENSES			
Salaries, wages, and other administrative	22,668	5,125	28,183
Depreciation	1,601	642	2,673
Purchases for resale	-	-	41,094
Purchases for prison industries	16,690	-	-
Premiums and claims	-	1,631	1
Other operating expenses:			
Leased vehicles expense	-	42,833	-
Vehicle maintenance expense	-	21,898	-
Total other operating expenses	<u>-</u>	<u>64,731</u>	<u>-</u>
Total Operating Expenses	<u>40,960</u>	<u>72,129</u>	<u>71,950</u>
Operating Income (Loss)	<u>1,349</u>	<u>(5,702)</u>	<u>(877)</u>
NONOPERATING REVENUES (EXPENSES)			
Other nonoperating revenues	1	-	-
Interest expense	(299)	-	(200)
Other nonoperating expense	<u>(229)</u>	<u>(56)</u>	<u>(109)</u>
Total Nonoperating Revenues (Expenses)	<u>(526)</u>	<u>(56)</u>	<u>(309)</u>
Income (Loss) Before Capital Contributions and Transfers	<u>822</u>	<u>(5,758)</u>	<u>(1,185)</u>
CAPITAL CONTRIBUTIONS AND TRANSFERS			
Capital contributions from other funds	-	-	-
Transfers to other funds	<u>(204)</u>	<u>(75)</u>	<u>(157)</u>
Total Capital Contributions and Transfers In (Out)	<u>(204)</u>	<u>(75)</u>	<u>(157)</u>
Change in net assets	618	(5,833)	(1,343)
Total net assets - Beginning of fiscal year	<u>32,503</u>	<u>7,863</u>	<u>697</u>
Total net assets - End of fiscal year	<u>\$ 33,121</u>	<u>\$ 2,030</u>	<u>\$ (645)</u>

Michigan

INFORMATION TECHNOLOGY FUND	RISK MANAGEMENT FUND	STATE SPONSORED GROUP INSURANCE FUND	TOTALS SEPTEMBER 30, 2002
\$ 575,495	\$ 3,241	\$ 808,919	\$ 1,567,464
<u>575,495</u>	<u>3,241</u>	<u>808,919</u>	<u>1,567,464</u>
553,228	1,005	40,055	650,263
37,114	-	2,653	44,682
-	-	-	41,094
-	-	-	16,690
-	1,951	757,897	761,479
-	-	-	42,833
-	-	-	21,898
<u>-</u>	<u>-</u>	<u>-</u>	<u>64,731</u>
<u>590,342</u>	<u>2,955</u>	<u>800,604</u>	<u>1,578,940</u>
<u>(14,847)</u>	<u>286</u>	<u>8,315</u>	<u>(11,477)</u>
42	-	9,224	9,268
(1,158)	-	-	(1,657)
<u>-</u>	<u>-</u>	<u>-</u>	<u>(393)</u>
<u>(1,116)</u>	<u>-</u>	<u>9,224</u>	<u>7,218</u>
<u>(15,963)</u>	<u>286</u>	<u>17,539</u>	<u>(4,259)</u>
23,561	-	-	23,561
(194)	(17)	(23)	(670)
<u>23,367</u>	<u>(17)</u>	<u>(23)</u>	<u>22,891</u>
7,404	269	17,516	18,632
<u>7,936</u>	<u>1,366</u>	<u>67,920</u>	<u>118,286</u>
<u>\$ 15,340</u>	<u>\$ 1,635</u>	<u>\$ 85,437</u>	<u>\$ 136,917</u>

Michigan

**COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FISCAL YEAR ENDED SEPTEMBER 30, 2002
(In Thousands)**

	CORRECTIONAL INDUSTRIES REVOLVING FUND	MOTOR TRANSPORT FUND	OFFICE SERVICES REVOLVING FUND
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers	\$ 42,319	\$ 66,610	\$ 71,150
Payments to employees	(14,179)	(2,992)	(12,929)
Payments to suppliers	(17,184)	(64,794)	(53,037)
Claims paid	-	-	-
Other receipts	-	489	-
Other payments	(8,506)	-	-
Net cash provided (used) by operating activities	<u>\$ 2,450</u>	<u>\$ (687)</u>	<u>\$ 5,185</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Loans or loan repayments from other funds	\$ -	\$ 522	\$ -
Loans or loan repayments to other funds	(1,000)	-	(2,230)
Transfers to other funds	(204)	(75)	(157)
Net cash provided (used) by noncapital financing activities	<u>\$ (1,204)</u>	<u>\$ 447</u>	<u>\$ (2,387)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Acquisition and construction of capital assets	\$ (2,476)	\$ -	\$ (530)
Interest paid	(299)	-	-
Capital lease payments (including imputed interest expense)	-	-	(1,691)
Proceeds from sale of capital assets	-	308	196
Net cash provided (used) by capital and related financing activities	<u>\$ (2,775)</u>	<u>\$ 308</u>	<u>\$ (2,025)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest and dividends on investments	\$ -	\$ -	\$ -
Net cash provided (used) by investing activities	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Net cash provided (used) - all activities	\$ (1,529)	\$ 69	\$ 773
Cash and cash equivalents at beginning of year	4,107	(40)	(885)
Cash and cash equivalents at end of year	<u><u>\$ 2,578</u></u>	<u><u>\$ 29</u></u>	<u><u>\$ (113)</u></u>
RECONCILIATION OF CASH AND CASH EQUIVALENTS			
Per Balance Sheet Classifications:			
Cash	\$ -	\$ 49	\$ 75
Equity in common cash	2,979	-	-
Warrants outstanding	(401)	(20)	(188)
Cash and cash equivalents at end of year	<u>\$ 2,578</u>	<u>\$ 29</u>	<u>\$ (113)</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES			
Operating income (loss)	\$ 1,349	\$ (5,702)	\$ (877)
Adjustments to Reconcile Operating Income to Net Cash Provided (Used) by Operating Activities:			
Depreciation expense	1,601	642	2,673
Other reconciling items	-	-	-
Net Changes in Assets and Liabilities:			
Inventories	1,023	59	(115)
Other assets (net)	12	4,031	156
Accounts payable and other liabilities	(1,534)	283	3,348
Net cash provided (used) by operating activities	<u>\$ 2,450</u>	<u>\$ (687)</u>	<u>\$ 5,185</u>
SCHEDULE OF NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES			
Cost of capital assets acquisitions financed by capital leases	\$ -	\$ -	\$ 2,612
Capital lease liabilities entered into during the year	-	-	(2,612)
Gain (loss) on disposal of capital assets	(299)	-	(109)
Total noncash investing, capital, and financing activities	<u>\$ (299)</u>	<u>\$ -</u>	<u>\$ (109)</u>

Michigan

INFORMATION TECHNOLOGY FUND	RISK MANAGEMENT FUND	STATE SPONSORED GROUP INSURANCE FUND	TOTALS SEPTEMBER 30, 2002
\$ 104,573	\$ 3,241	\$ 821,205	\$ 1,109,099
(20,408)	(599)	-	(51,106)
(65,444)	(786)	(243,784)	(445,028)
-	(1,780)	(567,080)	(568,860)
-	-	-	489
(1,975)	-	(6,149)	(16,631)
<u>\$ 16,746</u>	<u>\$ 77</u>	<u>\$ 4,192</u>	<u>\$ 27,963</u>
\$ 23,561	\$ -	\$ -	\$ 24,084
-	-	(21,775)	(25,005)
(194)	(17)	(23)	(670)
<u>\$ 23,367</u>	<u>\$ (17)</u>	<u>\$ (21,798)</u>	<u>\$ (1,592)</u>
(23,047)	\$ -	\$ (2,650)	\$ (28,702)
-	-	-	(299)
(14,165)	-	-	(15,857)
-	-	7,958	8,462
<u>\$ (37,212)</u>	<u>\$ -</u>	<u>\$ 5,308</u>	<u>\$ (36,396)</u>
\$ -	\$ -	\$ 9,224	\$ 9,224
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 9,224</u>	<u>\$ 9,224</u>
\$ 2,901	\$ 60	\$ (3,074)	\$ (801)
(4,171)	10,055	121,808	130,873
<u>\$ (1,271)</u>	<u>\$ 10,115</u>	<u>\$ 118,733</u>	<u>\$ 130,072</u>
\$ -	\$ -	\$ 41	\$ 165
-	10,124	120,434	133,537
(1,271)	(9)	(1,741)	(3,630)
<u>\$ (1,271)</u>	<u>\$ 10,115</u>	<u>\$ 118,733</u>	<u>\$ 130,072</u>
\$ (14,847)	\$ 286	\$ 8,315	\$ (11,477)
37,114	-	2,653	44,682
(9,272)	-	-	(9,272)
796	(73)	-	1,690
120	-	6,987	11,305
2,835	(136)	(13,762)	(8,966)
<u>\$ 16,746</u>	<u>\$ 77</u>	<u>\$ 4,192</u>	<u>\$ 27,963</u>
\$ 16,376	\$ -	\$ -	\$ 18,989
(16,376)	-	-	(18,989)
42	-	-	(365)
<u>\$ 42</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (365)</u>



PENSION (AND OTHER EMPLOYEE BENEFIT) TRUST FUNDS

Notes to the financial statements, entitled "Deferred Compensation Plans" and "Pension Benefits and Other Postemployment Benefits," include additional information regarding the following funds and plans.

STATE EMPLOYEES' DEFERRED COMPENSATION FUNDS

The State Employees' Deferred Compensation Fund I (457) and the State Employees' Deferred Compensation Fund II (401k) are combined for reporting purposes. Both funds were administratively established to account for deferred compensation plans that permit State employees to defer a portion of their income until future years. Executive Order 1999-7 transferred administration of the plans from the Department of Treasury to the Department of Management and Budget. However, the State Treasurer continues to oversee investment options.

LEGISLATIVE RETIREMENT FUND

Public Act 261 of 1957 created the Legislative Retirement System (LRS) to provide retirement and other benefits for members of the Legislature, the presiding officers, and their surviving spouses or children. Participants in the system have a deduction from each salary payment to partially finance the fund. Legislative appropriations, interest on fund investments, and court fees complete the financing.

Public Act 486 of 1996 amended LRS's enabling legislation to provide that members elected after March 31, 1997, participate in the State's defined contribution plan.

STATE POLICE RETIREMENT FUND

This fund was created by P.A. 251 of 1935 and later superseded by P.A. 182 of 1986. A nine-member board, under the direction of a chairperson elected from the membership, administers the fund to provide retirement benefits for State Police officers. Financing is provided by investment income and by an annual legislative appropriation.

STATE EMPLOYEES' RETIREMENT FUND

This fund was established by P.A. 240 of 1943 and is administered by a nine-member board under the direction of an Executive Secretary. Public Act 216 of 1974 eliminated the requirement for member contributions and provided for financing by legislative appropriation and investment earnings.

Effective March 31, 1997, P.A. 487 of 1996 closed the plan to new applicants. All new employees become members of the State's defined contribution plan. The public act also allows returning employees and members who left state employment on or before March 31, 1997, to elect the defined benefit plan instead of the defined contribution plan.

PUBLIC SCHOOL EMPLOYEES' RETIREMENT FUND

In accordance with P.A. 300 of 1980, on October 1, 1981, the Public School Employees' Chapter I Retirement Fund merged with the Public School Employees' Chapter II Retirement Fund to establish the Public School Employees' Retirement Fund. Public Acts 136 of 1945 and 259 of 1974, respectively, created the two original funds. An eight-member board governs administrative policy.

Employer contributions and investment earnings provide financing for the fund. Under P.A. 91 of 1985, employees may contribute additional amounts into a "member investment plan."

JUDGES' RETIREMENT FUND

Public Act 234 of 1992 authorized the merger of the Probate Judges' Retirement Fund into the Judges' Retirement Fund by requiring the consolidation of all assets, rights, and obligations under the former Judges' and Probate Judges' Retirement Funds. The Judges' Retirement Board, with the director of the Office of Retirement Systems as the Executive Secretary, administers the consolidated fund. Financing comes from member contributions, court filing fees as provided under law, investment earnings, and legislative appropriations.

Public Act 523 of 1996, effective March 31, 1997, closed the plan to new entrants. Judges or state officials newly appointed or elected on or after March 31, 1997, become members of the State's defined contribution plan.

STATE EMPLOYEES' DEFINED CONTRIBUTION RETIREMENT FUND

This fund was established by P.A. 487 of 1996 as a defined contribution pension plan for all state employees hired after March 31, 1997, and for those members of the State Employees' Retirement (defined benefit) System, Judges' Retirement System, and Legislative Retirement System who elected to transfer to this plan. Executive Order 1999-7 transferred administration of the fund from the Department of Treasury to the Department of Management and Budget. However, the State Treasurer shall continue to oversee investment options.

Michigan

**COMBINING STATEMENT OF FIDUCIARY NET ASSETS
PENSION (AND OTHER EMPLOYEE BENEFIT) TRUST FUNDS
SEPTEMBER 30, 2002
(In Thousands)**

	STATE EMPLOYEES' DEFERRED COMPENSATION FUNDS	LEGISLATIVE RETIREMENT FUND	STATE POLICE RETIREMENT FUND
ASSETS	<u> </u>	<u> </u>	<u> </u>
Cash	\$ -	\$ -	\$ -
Equity in common cash	900	2,994	1,626
Receivables:			
Employee	80,812	-	-
Employer	316	97	-
Interest and dividends	-	56	3,461
Due from other funds	50	-	1,950
Sale of investments	-	578	148
Investments at Fair Value:			
Short-term investments	21,364	-	10,177
Bonds, notes, mortgages, and preferred stock	-	-	208,334
Common stock	-	43,611	371,604
Real estate	-	-	90,920
Alternative investments	-	-	131,176
International investments	-	-	68,066
Mutual funds	1,011,560	94,008	-
Pooled investment funds	1,501,639	-	-
Money market funds	133,105	-	-
Securities lending collateral	-	-	40,124
Capital Assets:			
Buildings and equipment	-	-	-
Allowance for depreciation	-	-	-
Total capital assets	<u>-</u>	<u>-</u>	<u>-</u>
 Total Assets	 <u>\$ 2,749,746</u>	 <u>\$ 141,343</u>	 <u>\$ 927,587</u>
 LIABILITIES			
Warrants outstanding	\$ -	\$ 35	\$ 223
Accounts payable and other liabilities	-	876	908
Amounts due to other funds	-	1	-
Obligations under security lending	-	-	40,124
 Total Liabilities	 <u>\$ -</u>	 <u>\$ 912</u>	 <u>\$ 41,255</u>
 NET ASSETS			
Net assets held in trust for pension, postemployment health-care, and other employee benefits	<u>\$ 2,749,746</u>	<u>\$ 140,431</u>	<u>\$ 886,331</u>
Reconciliation of Net Assets Held in Trust:			
Pension benefits	\$ -	\$ 133,784	\$ 888,221
Postemployment health-care benefits	-	6,647	(1,889)
Other employee benefits	2,749,746	-	-
 Total net assets held in trust for benefits	 <u>\$ 2,749,746</u>	 <u>\$ 140,431</u>	 <u>\$ 886,331</u>

Michigan

STATE EMPLOYEES' RETIREMENT FUND	PUBLIC SCHOOL EMPLOYEES' RETIREMENT FUND	JUDGES' RETIREMENT FUND	STATE EMPLOYEES' DEFINED CONTRIBUTION RETIREMENT FUND	TOTALS <u>SEPTEMBER 30,</u> <u>2002</u>
\$ 403	\$ 747	\$ -	\$ -	\$ 1,151
19,820	106,063	3,223	-	134,626
-	-	-	19,191	100,003
49,878	400,675	73	26	451,064
32,474	114,535	1,017	-	151,543
13,936	-	-	-	15,936
1,493	5,482	39	-	7,740
136,853	720,352	5,276	-	894,022
2,009,533	7,074,830	58,965	-	9,351,662
3,412,414	12,593,338	98,104	-	16,519,070
869,008	2,938,911	29,143	-	3,927,982
1,219,656	4,277,789	23,818	-	5,652,439
619,222	2,265,840	15,373	-	2,968,501
-	-	-	132,175	1,237,743
-	-	-	88,625	1,590,263
-	-	-	95,262	228,367
366,352	1,329,334	8,723	-	1,744,533
6	18	-	-	24
(6)	(18)	-	-	(24)
-	-	-	-	-
<u>\$ 8,751,042</u>	<u>\$ 31,827,896</u>	<u>\$ 243,753</u>	<u>\$ 335,278</u>	<u>\$ 44,976,645</u>
\$ 2,884	\$ 8,697	\$ 67	\$ -	\$ 11,906
10,280	162,033	203	-	174,300
-	-	-	50	51
366,352	1,329,334	8,723	-	1,744,533
<u>\$ 379,516</u>	<u>\$ 1,500,065</u>	<u>\$ 8,993</u>	<u>\$ 50</u>	<u>\$ 1,930,791</u>
<u>\$ 8,371,526</u>	<u>\$ 30,327,831</u>	<u>\$ 234,760</u>	<u>\$ 335,228</u>	<u>\$ 43,045,854</u>
\$ 8,274,112	\$ 30,008,030	\$ 235,319	\$ 335,228	\$ 39,874,694
97,414	319,801	(559)	-	421,414
-	-	-	-	2,749,746
<u>\$ 8,371,526</u>	<u>\$ 30,327,831</u>	<u>\$ 234,760</u>	<u>\$ 335,228</u>	<u>\$ 43,045,854</u>

Michigan

**COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
PENSION (AND OTHER EMPLOYEE BENEFIT) TRUST FUNDS
FISCAL YEAR ENDED SEPTEMBER 30, 2002
(In Thousands)**

	STATE EMPLOYEES' DEFERRED COMPENSATION FUNDS	LEGISLATIVE RETIREMENT FUND	STATE POLICE RETIREMENT FUND
	<u> </u>	<u> </u>	<u> </u>
ADDITIONS			
Contributions:			
From participants	\$ 179,961	\$ 358	\$ 1,493
From employers	3	3,116	47,727
From other plans	3,047	-	-
Investment Income:			
Net appreciation (depreciation) in fair value of investments	(260,392)	(16,294)	(129,605)
Interest, dividends, and other	113,282	4,383	23,332
Securities lending income	-	-	1,043
Less Investment Expense:			
Investment activity expense	-	411	1,951
Securities lending expense	-	-	836
Net investment income (loss)	<u>(147,110)</u>	<u>(12,322)</u>	<u>(108,017)</u>
Miscellaneous income	<u>716</u>	<u>1,095</u>	<u>-</u>
Total Additions	<u>36,617</u>	<u>(7,753)</u>	<u>(58,797)</u>
DEDUCTIONS			
Benefits paid to participants or beneficiaries	369,103	6,827	64,418
Medical, dental, and life insurance for retirants	-	3,116	26,030
Refunds and transfers to other systems	69	-	-
Administrative expense	6,460	266	353
Transfers to other funds	-	-	-
Total Deductions	<u>375,632</u>	<u>10,209</u>	<u>90,801</u>
Net increase (decrease)	(339,015)	(17,962)	(149,598)
Net assets held in trust for pension, postemployment health-care, and other employee benefits - Beginning of fiscal year	<u>3,088,761</u>	<u>158,393</u>	<u>1,035,929</u>
Net assets held in trust for pension, postemployment health-care, and other employee benefits - End of fiscal year	<u>\$ 2,749,746</u>	<u>\$ 140,431</u>	<u>\$ 886,331</u>
Reconciliation of Net Increase in Assets:			
Net increase (decrease) in assets held in trust for pension benefits	\$ -	\$ (18,914)	\$ (150,219)
Net increase (decrease) in assets held in trust for postemployment benefits	-	952	621
Net increase (decrease) in assets held in trust for other employee benefits	<u>(339,015)</u>	<u>-</u>	<u>-</u>
Total net increase (decrease)	<u>\$ (339,015)</u>	<u>\$ (17,962)</u>	<u>\$ (149,598)</u>

Michigan

STATE EMPLOYEES' RETIREMENT FUND	PUBLIC SCHOOL EMPLOYEES' RETIREMENT FUND	JUDGES' RETIREMENT FUND	STATE EMPLOYEES' DEFINED CONTRIBUTION RETIREMENT FUND	TOTALS <u>SEPTEMBER 30,</u> <u>2002</u>
\$ 179,559	\$ 456,381	\$ 3,220	\$ 17,499	\$ 838,473
345,217	1,208,577	-	43,549	1,648,189
-	-	-	-	3,047
(1,203,600)	(4,437,288)	(32,507)	(32,657)	(6,112,343)
215,800	777,908	6,715	7,078	1,148,498
9,532	34,609	229	-	45,413
17,984	64,022	251	-	84,620
7,638	27,733	184	-	36,390
<u>(1,003,891)</u>	<u>(3,716,526)</u>	<u>(25,998)</u>	<u>(25,579)</u>	<u>(5,039,443)</u>
-	128	100	59	2,097
<u>(479,114)</u>	<u>(2,051,440)</u>	<u>(22,678)</u>	<u>35,528</u>	<u>(2,547,637)</u>
503,454	2,041,440	15,810	13,119	3,014,171
278,998	513,172	520	-	821,835
18	20,881	53	1	21,022
6,418	68,383	405	1,123	83,408
15	81	-	-	97
<u>788,903</u>	<u>2,643,957</u>	<u>16,787</u>	<u>14,243</u>	<u>3,940,533</u>
(1,268,018)	(4,695,397)	(39,465)	21,285	(6,488,170)
<u>9,639,544</u>	<u>35,023,228</u>	<u>274,226</u>	<u>313,943</u>	<u>49,534,024</u>
<u>\$ 8,371,526</u>	<u>\$ 30,327,831</u>	<u>\$ 234,760</u>	<u>\$ 335,228</u>	<u>\$ 43,045,854</u>
\$ (1,342,405)	\$ (4,802,193)	\$ (39,409)	\$ 21,285	\$ (6,331,854)
74,387	106,796	(57)	-	182,699
-	-	-	-	(339,015)
<u>\$ (1,268,018)</u>	<u>\$ (4,695,397)</u>	<u>\$ (39,465)</u>	<u>\$ 21,285</u>	<u>\$ (6,488,170)</u>



PRIVATE PURPOSE TRUST FUNDS

ESCHEATS FUND

The Escheats Fund operates under the authority of P.A. 29 of 1995 and is used to account for unclaimed property escheated to the State. All property, including any income or increment derived from the property, is subject to the custody of (escheated to) the State when certain criteria contained within the Act are met. Proceeds of the fund pay the administrative costs and prompt claims allowed under the Act. The administrator transfers all remaining proceeds received under this Act to the General Fund.

GIFTS, BEQUESTS, AND DEPOSITS INVESTMENT FUND

This fund was administratively established to account for gifts, bequests, and deposits donated or entrusted to the State. Gifts and donations to the State may only be expended in accordance with applicable external restrictions. This fund earns interest quarterly for its share of the equity in the State Treasurer's Common Cash pool.

HOSPITAL PATIENTS' TRUST FUND

Public Act 258 of 1974 established this fund to account for funds of patients receiving services in State hospitals. The Department of Community Health, in conjunction with the State Treasury, acts as the trustee of this fund. This fund earns interest quarterly for its share of the equity in the State Treasurer's Common Cash pool. The Department of Community Health distributes interest on a monthly basis to patients meeting minimum balance requirements.

FEDERAL HOUSING ADMINISTRATION (FHA) MORTGAGES ESCROW FUND

This fund was administratively created, as required by FHA regulations, to account for escrow deposits held to provide for payment of taxes, insurance, and property maintenance for mortgage investments held by certain State pension funds.

MICHIGAN EDUCATION SAVINGS PROGRAM

Public Act 161 of 2000 established the Michigan Education Savings Program (MESP) as an entity within the Department of Treasury. MESP is a college-tuition savings plan that is designed to collect and invest deposits made by contributors, for purposes of financing tuition on behalf of future students. The State makes no monetary contributions into the program. Investment earnings, held in trust by MESP, are Federal and State tax-deferred until the student is ready to attend college. The Federal government and the State both offer tax deductions for contributions made each year.

WORKERS' DISABILITY COMPENSATION TRUST FUNDS

This fund was administratively created to comply with court orders for bankrupt employers to pay obligations due under the Michigan Workers' Disability Compensation Act.

Michigan

COMBINING STATEMENT OF FIDUCIARY NET ASSETS
PRIVATE PURPOSE TRUST FUNDS
 SEPTEMBER 30, 2002
 (In Thousands)

	ESCHEATS FUND	GIFTS, BEQUESTS, AND DEPOSITS INVESTMENT FUND	HOSPITAL PATIENTS' TRUST FUND
ASSETS			
Cash	\$ -	\$ 573	\$ 29
Equity in common cash	28,633	23,375	350
Receivables:			
Interest and dividends	-	160	-
Investments at Fair Value:			
Bonds, notes, mortgages, and preferred stock	-	13,950	-
Common stock	-	73	-
Mutual funds	-	5	-
Pooled investment funds	-	-	-
Other current assets	682	2,735	26
	<u>\$ 29,315</u>	<u>\$ 40,870</u>	<u>\$ 404</u>
LIABILITIES			
Warrants outstanding	\$ 1,036	\$ 871	\$ 22
Accounts payable and other liabilities	11	3,910	8
	<u>\$ 1,047</u>	<u>\$ 4,781</u>	<u>\$ 29</u>
NET ASSETS			
Net assets held in trust for other purposes	<u>\$ 28,268</u>	<u>\$ 36,089</u>	<u>\$ 375</u>

Michigan

FEDERAL HOUSING ADMINISTRATION MORTGAGES ESCROW FUND	MICHIGAN EDUCATION SAVINGS PROGRAM	WORKERS' DISABILITY COMPENSATION TRUST FUNDS	<u>TOTALS</u> SEPTEMBER 30, 2002
\$ -	\$ 33	\$ -	\$ 635
393	-	809	53,561
-	306	-	466
-	-	-	13,950
-	-	-	73
-	172,412	-	172,417
-	33,971	-	33,971
-	733	-	4,175
<u>\$ 393</u>	<u>\$ 207,455</u>	<u>\$ 809</u>	<u>\$ 279,247</u>
\$ -	\$ -	\$ -	\$ 1,929
-	1,201	-	5,129
<u>\$ -</u>	<u>\$ 1,201</u>	<u>\$ -</u>	<u>\$ 7,058</u>
<u>\$ 393</u>	<u>\$ 206,254</u>	<u>\$ 809</u>	<u>\$ 272,189</u>

Michigan

STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
PRIVATE PURPOSE TRUST FUNDS
 FISCAL YEAR ENDED SEPTEMBER 30, 2002
 (In Thousands)

	ESCHEATS FUND	GIFTS, BEQUESTS AND DEPOSITS INVESTMENTS FUND	HOSPITAL PATIENTS' TRUST FUND
	<u> </u>	<u> </u>	<u> </u>
ADDITIONS			
Contributions:			
From participants	\$ -	\$ -	\$ -
From clients	-	35,380	2,710
From gifts, bequests, and endowments	-	291	-
Investment Income:			
Net appreciation (depreciation) in fair value of investments	-	191	-
Interest, dividends, and other	-	1,048	8
Securities lending income	-	5	-
Less Investment Expense:			
Investment activity expense	-	-	-
Securities lending expense	-	4	-
Net investment income (loss)	-	1,240	8
Escheated property	43,618	-	-
Miscellaneous income	-	81	-
Transfers from other funds	217	98	-
	<u>43,836</u>	<u>37,091</u>	<u>2,718</u>
DEDUCTIONS			
Benefits paid to participants or beneficiaries	-	-	-
Amounts distributed to clients or third parties	-	35,616	2,695
Administrative expense	-	20	-
Transfers to other funds	36,602	2,072	-
	<u>36,602</u>	<u>37,708</u>	<u>2,695</u>
Net increase (decrease)	7,234	(617)	22
Net assets held in trust for others - Beginning of fiscal year	<u>21,034</u>	<u>36,707</u>	<u>353</u>
Net assets held in trust for others - End of fiscal year	<u>\$ 28,268</u>	<u>\$ 36,089</u>	<u>\$ 375</u>
Reconciliation of Net Increase in Assets:			
Net increase (decrease) in assets held in trust for other purpose	<u>\$ 7,234</u>	<u>\$ (617)</u>	<u>\$ 22</u>
Total net increase (decrease)	<u>\$ 7,234</u>	<u>\$ (617)</u>	<u>\$ 22</u>

Michigan

FEDERAL HOUSING ADMINISTRATION MORTGAGES ESCROW FUND	MICHIGAN EDUCATION SAVINGS PROGRAM	WORKERS' DISABILITY COMPENSATION TRUST FUNDS	TOTALS <u>SEPTEMBER 30,</u> <u>2002</u>
\$ -	\$ 177,636	\$ -	\$ 177,636
-	-	-	38,090
-	-	-	291
-	(26,608)	-	(26,417)
3	4,150	20	5,229
-	-	-	5
-	571	-	571
-	-	-	4
<u>3</u>	<u>(23,028)</u>	<u>20</u>	<u>(21,758)</u>
-	-	-	43,618
520	-	-	601
-	-	-	316
<u>523</u>	<u>154,607</u>	<u>20</u>	<u>238,794</u>
-	4,333	53	4,386
909	-	-	39,221
-	-	19	39
-	-	464	39,138
<u>909</u>	<u>4,333</u>	<u>536</u>	<u>82,783</u>
(386)	150,274	(516)	156,011
<u>779</u>	<u>55,980</u>	<u>1,325</u>	<u>116,178</u>
<u>\$ 393</u>	<u>\$ 206,254</u>	<u>\$ 809</u>	<u>\$ 272,189</u>
<u>\$ (386)</u>	<u>\$ 150,274</u>	<u>\$ (516)</u>	<u>\$ 156,011</u>
<u>\$ (386)</u>	<u>\$ 150,274</u>	<u>\$ (516)</u>	<u>\$ 156,011</u>

AGENCY FUNDS

ENVIRONMENTAL QUALITY DEPOSITS FUND

This fund was established to account for deposits for which the Department of Environmental Quality has legal custody as provided by various statutes.

INSURANCE CARRIER DEPOSITS FUND

This fund was administratively established to account for deposits held by the State Treasurer on behalf of insurance carriers who are licensed or authorized to write insurance in the State and are required by P.A. 218 of 1956, as amended, to provide such deposits. All deposits are in the form of various securities and other acceptable assets.

STATE TREASURER'S ESCROW AND PAYING AGENT FUND

This fund was administratively created and is used to account for investments held in escrow by the State Treasurer as fiscal agent for hospitals, which have defeased Michigan State Hospital Finance Authority (MSHFA) bonds.

CHILD SUPPORT COLLECTION FUND

This fund was administratively established to account for the activity of the Michigan State Disbursement Unit (MISDU). MISDU, administered by the Family Independence Agency, was created to provide a single location within the State for the receipt and disbursement of child support payments.

Michigan

**COMBINING STATEMENT OF FIDUCIARY NET ASSETS
AGENCY FUNDS
SEPTEMBER 30, 2002
(In Thousands)**

	ENVIRONMENTAL QUALITY DEPOSITS FUND	INSURANCE CARRIER DEPOSITS FUND	STATE TREASURER'S ESCROW AND PAYING AGENT FUND	CHILD SUPPORT COLLECTION FUND	TOTALS SEPTEMBER 30, 2002
ASSETS					
Cash	\$ -	\$ -	\$ 923	\$ 31,962	\$ 32,885
Equity in common cash	4,233	1,487	-	-	5,720
Investments at Fair Value:					
Short-term investments	-	-	18,894	-	18,894
Bonds, notes, mortgages, and preferred stock	-	-	83,782	-	83,782
Other current assets	-	-	3,681	4,269	7,950
Other noncurrent assets	-	357,954	-	-	357,954
Total Assets	\$ 4,233	\$ 359,441	\$ 107,281	\$ 36,230	\$ 507,186
LIABILITIES					
Warrants outstanding	\$ -	\$ 119	\$ -	\$ -	\$ 119
Accounts payable and other liabilities	4,233	1,085	24,239	35,958	65,514
Amounts due to other funds	-	-	-	273	273
Other long-term liabilities	-	358,238	83,042	-	441,280
Total Liabilities	\$ 4,233	\$ 359,441	\$ 107,281	\$ 36,230	\$ 507,186

Michigan

**COMBINING STATEMENT OF CHANGES IN ASSETS AND
LIABILITIES - AGENCY FUNDS**
FISCAL YEAR ENDED SEPTEMBER 30, 2002
(In Thousands)

	BALANCE OCTOBER 1, 2001	ADDITIONS	DEDUCTIONS	BALANCE SEPTEMBER 30, 2002
ENVIRONMENTAL QUALITY DEPOSITS FUND				
ASSETS				
Equity in common cash	\$ 3,407	\$ 1,007	\$ 181	\$ 4,233
Total Assets	\$ 3,407	\$ 1,007	\$ 181	\$ 4,233
LIABILITIES				
Accounts payable and other liabilities	\$ 3,407	\$ 1,007	\$ 181	\$ 4,233
Total Liabilities	\$ 3,407	\$ 1,007	\$ 181	\$ 4,233
INSURANCE CARRIER DEPOSITS FUND				
ASSETS				
Equity in common cash	\$ 1,018	\$ 73,752	\$ 73,284	\$ 1,487
Other noncurrent assets	349,587	189,781	181,414	357,954
Total Assets	\$ 350,605	\$ 263,533	\$ 254,698	\$ 359,441
LIABILITIES				
Warrants outstanding	\$ 145	\$ -	\$ 26	\$ 119
Accounts payable and other liabilities	590	74,113	73,618	1,085
Other long-term liabilities	349,871	189,781	181,414	358,238
Total Liabilities	\$ 350,605	\$ 263,894	\$ 255,058	\$ 359,441
STATE TREASURER'S ESCROW AND PAYING AGENT FUND				
ASSETS				
Cash	\$ 1,162	\$ 30,314	\$ 30,553	\$ 923
Equity in common cash	-	36	36	-
Investments at Fair Value:				
Short-term investments	17,174	20,009	18,289	18,894
Bonds, notes, mortgages, and preferred stock	103,421	2,099	21,737	83,782
Other current assets	4,156	11,391	11,866	3,681
Total Assets	\$ 125,914	\$ 63,848	\$ 82,481	\$ 107,281
LIABILITIES				
Accounts payable and other liabilities	\$ 23,222	\$ 32,091	\$ 31,075	\$ 24,239
Other long-term liabilities	102,691	21,090	40,739	83,042
Total Liabilities	\$ 125,914	\$ 53,181	\$ 71,813	\$ 107,281

Michigan

	BALANCE OCTOBER 1, 2001	ADDITIONS	DEDUCTIONS	BALANCE SEPTEMBER 30, 2002
CHILD SUPPORT COLLECTION FUND				
ASSETS				
Cash	\$ 6,773	\$ 1,197,147	\$ 1,171,959	\$ 31,962
Other current assets	172	4,269	172	4,269
	Total Assets	\$ 1,201,416	\$ 1,172,131	\$ 36,230
LIABILITIES				
Accounts payable and other liabilities	\$ 6,731	\$ 1,213,532	\$ 1,184,306	\$ 35,958
Amounts due to other funds	215	273	215	273
	Total Liabilities	\$ 1,213,805	\$ 1,184,520	\$ 36,230
TOTALS - ALL AGENCY FUNDS				
ASSETS				
Cash	\$ 7,935	\$ 1,227,461	\$ 1,202,511	\$ 32,885
Equity in common cash	4,425	74,796	73,500	5,720
Investments at Fair Value:				
Short-term investments	17,174	20,009	18,289	18,894
Bonds, notes, mortgages, and preferred stock	103,421	2,099	21,737	83,782
Other current assets	4,329	15,659	12,038	7,950
Other noncurrent assets	349,587	189,781	181,414	357,954
	Total Assets	\$ 1,529,804	\$ 1,509,490	\$ 507,186
LIABILITIES				
Warrants outstanding	\$ 145	\$ -	\$ 26	\$ 119
Accounts payable and other liabilities	33,950	1,320,743	1,289,179	65,514
Amounts due to other funds	215	273	215	273
Other long-term liabilities	452,562	210,871	222,153	441,280
	Total Liabilities	\$ 1,531,886	\$ 1,511,572	\$ 507,186

COMPONENT UNITS – AUTHORITIES

MACKINAC BRIDGE AUTHORITY

Public Act 21 of 1950 created the Mackinac Bridge Authority (MBA). Public Act 214 of 1952, as amended, empowered MBA to construct and operate a bridge between the lower and upper peninsulas of Michigan. Fares and earnings on investments finance the operation and maintenance of the bridge. State statutes require that MBA continue charging bridge tolls and repay State funds for all the subsidies provided in prior years.

MACKINAC ISLAND STATE PARK COMMISSION

Public Act 355 of 1927, as amended, established the Mackinac Island State Park Commission. The Governor, with the advice and consent of the Senate, appoints the seven-member commission. The Commission is responsible for the management of the Mackinac Island and Michilimackinac State Parks and has the authority to issue revenue-dedicated bonds.

MICHIGAN BROADBAND DEVELOPMENT AUTHORITY

Public Act 49 of 2002 created the Michigan Broadband Development Authority (MBDA). The MBDA is a state financing authority that will assist in the build out and utilization of high-speed broadband internet service and infrastructure across the state. It is the responsibility of the authority to remain financially self-sufficient by generating revenues from project lending and joint venture activity.

MBDA's 11-member governing board consists of the President and CEO of MBDA, the Vice President of MBDA, the State Treasurer, the Executive Director of the Michigan State Housing Development Authority, the head of the Michigan Economic Development Corporation and six fixed-term Governor appointed members.

MICHIGAN ECONOMIC DEVELOPMENT CORPORATION

The Michigan Economic Development Corporation (MEDC), under Article VII, Section 28 of the Michigan State Constitution of 1963 and P.A. of 1967, is a public body corporation. Created by a ten-year contract (inter-local agreement) between participating local economic development corporations formed under P.A. 338 of 1974 and the Michigan Strategic Fund, MEDC is a separate legal entity whose purpose is to stimulate, coordinate and advance economic development in the State. Under the terms of the agreement, the governance of MEDC resides in an executive committee of 17 members appointed to eight-year, staggered terms.

MICHIGAN HIGHER EDUCATION ASSISTANCE AUTHORITY

Public Act 77 of 1960, as amended, created the Michigan Higher Education Assistance Authority (MHEAA). It is governed by a 16-member board, appointed by the Governor, with the advice and consent of the Senate. MHEAA is empowered to guarantee 100% of principal and interest on loans to persons (or their parents) attending eligible post-secondary educational institutions in Michigan and to administer scholarship and grant programs in accordance with State laws. The federal government reimburses MHEAA for losses on purchased loans at varying percentages depending upon rates of defaults. Revenues consist of recovery of loan losses, federal reimbursement, loan guarantee fees, and investment income.

MICHIGAN HIGHER EDUCATION FACILITIES AUTHORITY

Public Act 295 of 1969, as amended, authorized the creation of the Michigan Higher Education Facilities Authority (MHEFA) for the purpose of assisting private nonprofit institutions of higher education in financing their facilities. MHEFA consists of an eleven-member commission, nine are appointed by the Governor with the advice and consent of the Senate and two are ex officio (the Superintendent of Public Instruction and Director of the Department of Management and Budget). Financing for capital improvements is provided by issuance of limited obligation revenue bonds, however these bonds do not constitute an obligation of the State or MHEFA, therefore no liabilities have been recorded. Annual service fees to higher education institutions finance MHEFA's administrative operations.

MICHIGAN HIGHER EDUCATION STUDENT LOAN AUTHORITY

Public Act 222 of 1975, as amended, authorized the establishment of the Michigan Higher Education Student Loan Authority (MHESLA) to make loans to qualified students (or their parents) attending participating institutions of higher education. MHESLA may issue revenue-dedicated debt in principal amounts necessary to provide funds for achieving its purpose. A board comprised of the same members as Michigan Higher Education Assistance Authority governs MHESLA. The Governor, with the consent of the Senate, appoints the 16 members. The State Treasurer, an ex officio member, serves as chairman of the board.

MICHIGAN PUBLIC EDUCATIONAL FACILITIES AUTHORITY

The Michigan Public Educational Facilities Authority was organized by Executive Order 2002-3. The Authority was created in response to the passage of the federal Economic Growth and Tax Relief Reconciliation Act of 2001. This act authorizes the issuance of "qualified public educational facility bonds" as tax exempt facility bonds.

The Authority partners with other states to facilitate the acquisition of capital for the construction, rehabilitation, refurbishing or equipping of qualified public educational facilities.

MICHIGAN STATE HOSPITAL FINANCE AUTHORITY

The Michigan State Hospital Finance Authority (MSHFA) was organized under P.A. 38 of 1969, as amended, to lend money to nonprofit, nonpublic hospitals and health-care corporations for capital improvements or debt refinancing. The Act also empowers MSHFA to sell bonds and to enter into loan and other agreements to obtain the necessary funds for such loans. MSHFA is comprised of seven members including a chairperson and four public members appointed by the Governor with the advice and consent of the Senate, and two members ex officio (the State Treasurer and the Director of the Department of Community Health). Some of MSHFA's revenue and mortgage bonds have been defeased by the various borrowers by placing proceeds of new bonds in an escrow with the State Treasurer or trustee as escrow agent. Such defeased bonds and related investments are reported in the State Treasurer's Escrow and Paying Agent Fund.

MSHFA no longer performs trustee, fiscal agent, registrar, and paying agent functions for bonds payable. The bonds and related assets have been transferred to financial institutions' trust departments. Since these obligations are, in substance, debts of other entities, MSHFA does not reflect the liabilities, assets, revenues and expenditures related to these bonds in its financial statements.

MICHIGAN STRATEGIC FUND

The Michigan Strategic Fund (MSF) is a public body corporation and politic created by P.A. 270 of 1984 to help diversify the economy of the State and to provide for economic development, primarily by assisting business enterprises to obtain additional sources of financing. Executive Order 1999-1, as amended, transferred all of the economic development functions of the former Department of Commerce and the Michigan Jobs Commission to MSF. The order further placed MSF as an autonomous entity in the Department of Management and Budget. MSF is governed by a board of nine members, consisting of the directors of the State Departments of Consumer and Industry Services and Treasury plus seven members appointed by the Governor with the advice and consent of the Senate.

STATE BAR OF MICHIGAN

The State Bar of Michigan is an association of lawyers who are licensed to practice in Michigan. It is organized as a public body corporate. Its financial support comes solely from member dues and income from member services. The State Bar's budget is the responsibility of its Board of Commissioners, and it is not subject to State of Michigan appropriation procedures.

Michigan

**COMBINING STATEMENT OF NET ASSETS
NON-MAJOR COMPONENT UNITS
AUTHORITIES
SEPTEMBER 30, 2002
(In Thousands)**

	<u>MACKINAC BRIDGE AUTHORITY</u>	<u>MACKINAC ISLAND STATE PARK COMMISSION</u>	<u>MICHIGAN BROADBAND DEVELOPMENT AUTHORITY</u>	<u>MICHIGAN ECONOMIC DEVELOPMENT CORPORATION</u>	<u>MICHIGAN HIGHER EDUCATION ASSISTANCE AUTHORITY</u>
ASSETS					
Current Assets:					
Cash	\$ 414	\$ 1,415	\$ 1,685	\$ 28,388	\$ 1,823
Equity in common cash	-	-	-	145,729	-
Amounts due from component units	-	-	-	4,600	-
Amounts due from primary government	-	-	-	-	7,723
Amounts due from federal government	-	-	-	-	144
Inventories	-	621	-	-	-
Investments	21,947	-	15,883	14,052	10,500
Other current assets	215	61	75	2,115	2,139
Total Current Assets	<u>22,576</u>	<u>2,097</u>	<u>17,643</u>	<u>194,885</u>	<u>22,329</u>
Restricted Assets:					
Cash and cash equivalents	-	842	-	11,694	-
Investments	-	3,034	-	-	-
Mortgages and loans receivable	-	-	-	27,129	-
Investments	-	-	15,155	50,695	-
Capital Assets:					
Land and other non-depreciable assets	125	337	-	-	-
Buildings, equipment, and other depreciable assets	7,771	8,636	-	16,228	1,607
Less accumulated depreciation	(2,708)	(5,092)	-	(1,575)	(134)
Infrastructure	101,349	-	-	-	-
Construction in progress	-	20	-	-	-
Total capital assets	<u>106,538</u>	<u>3,901</u>	<u>-</u>	<u>14,652</u>	<u>1,473</u>
Other noncurrent assets	-	-	-	-	-
Total Assets	<u>\$ 129,113</u>	<u>\$ 9,874</u>	<u>\$ 32,797</u>	<u>\$ 299,055</u>	<u>\$ 23,802</u>
LIABILITIES					
Current Liabilities:					
Warrants outstanding	\$ -	\$ -	\$ -	\$ 607	\$ -
Accounts payable and other liabilities	723	255	258	20,035	7,327
Amounts due to component units	-	-	-	-	-
Amounts due to primary government	750	-	-	67	125
Bonds and notes payable	-	210	-	-	-
Interest payable	-	10	583	-	-
Deferred revenue	364	25	-	6	-
Current portion of other long-term obligations	250	-	3	6,114	88
Total Current Liabilities	<u>2,087</u>	<u>500</u>	<u>844</u>	<u>26,829</u>	<u>7,539</u>
Bonds and notes payable	-	2,239	33,333	-	-
Noncurrent portion of other long-term obligations	132	-	63	7,869	383
Total Liabilities	<u>\$ 2,219</u>	<u>\$ 2,739</u>	<u>\$ 34,240</u>	<u>\$ 34,698</u>	<u>\$ 7,922</u>
NET ASSETS					
Invested in capital assets, net of related debt	\$ 106,538	\$ 1,452	\$ -	\$ 14,652	\$ -
Restricted For:					
Construction and debt service	-	3,476	-	-	-
Other purposes	-	1,033	-	-	15,880
Unrestricted	20,357	1,175	(1,443)	249,704	-
Total Net Assets	<u>\$ 126,894</u>	<u>\$ 7,135</u>	<u>\$ (1,443)</u>	<u>\$ 264,357</u>	<u>\$ 15,880</u>

Michigan

MICHIGAN HIGHER EDUCATION FACILITIES AUTHORITY	MICHIGAN HIGHER EDUCATION STUDENT LOAN AUTHORITY	MICHIGAN PUBLIC EDUCATIONAL FACILITIES AUTHORITY	MICHIGAN STATE HOSPITAL FINANCE AUTHORITY	MICHIGAN STRATEGIC FUND	STATE BAR OF MICHIGAN	TOTALS <u>SEPTEMBER 30,</u> <u>2002</u>
\$ -	\$ -	\$ 4,629	\$ 1,328	\$ 87	\$ 3,956	\$ 43,724
-	-	-	-	-	-	145,729
-	-	-	-	-	-	4,600
374	621	-	57	-	-	8,775
-	-	-	-	7,608	-	7,752
-	-	-	-	-	-	621
-	-	-	2,272	-	1,842	66,496
43	127,092	6	1,021	4,662	257	137,686
<u>417</u>	<u>127,713</u>	<u>4,635</u>	<u>4,678</u>	<u>12,357</u>	<u>6,054</u>	<u>415,383</u>
-	64,756	-	-	-	-	77,292
-	552,505	-	171	-	-	555,710
-	830,498	-	-	-	-	857,627
-	-	-	6,002	-	-	71,852
-	-	-	-	-	381	843
-	-	-	68	-	11,927	46,237
-	-	-	(38)	-	(4,800)	(14,347)
-	-	-	-	-	-	101,349
-	-	-	-	-	-	20
-	-	-	30	-	7,508	134,102
-	14,454	-	-	-	-	14,454
<u>\$ 417</u>	<u>\$ 1,589,926</u>	<u>\$ 4,635</u>	<u>\$ 10,881</u>	<u>\$ 12,357</u>	<u>\$ 13,562</u>	<u>\$ 2,126,420</u>
\$ -	\$ -	\$ -	\$ -	\$ 58	\$ -	\$ 665
-	1,868	-	5,034	7,496	710	43,706
-	-	-	-	4,600	-	4,600
-	-	54	-	11	-	1,006
-	176,900	-	-	-	245	177,355
-	6,643	-	-	-	-	7,237
-	-	-	-	68	2,363	2,827
-	1,856	-	9	-	-	8,319
-	<u>187,267</u>	<u>54</u>	<u>5,042</u>	<u>12,233</u>	<u>3,319</u>	<u>245,715</u>
-	1,242,440	-	-	-	3,863	1,281,876
-	<u>44,689</u>	<u>-</u>	<u>400</u>	<u>-</u>	<u>-</u>	<u>53,534</u>
<u>\$ -</u>	<u>\$ 1,474,395</u>	<u>\$ 54</u>	<u>\$ 5,442</u>	<u>\$ 12,233</u>	<u>\$ 7,182</u>	<u>\$ 1,581,125</u>
\$ -	\$ -	\$ -	\$ 30	\$ -	\$ 3,399	\$ 126,071
-	10,503	-	-	-	-	13,979
-	-	4,635	-	-	-	21,548
417	105,027	(54)	5,409	124	2,981	383,697
<u>\$ 417</u>	<u>\$ 115,531</u>	<u>\$ 4,581</u>	<u>\$ 5,439</u>	<u>\$ 124</u>	<u>\$ 6,380</u>	<u>\$ 545,295</u>

Michigan

COMBINING STATEMENT OF ACTIVITIES
NON-MAJOR COMPONENT UNITS - AUTHORITIES
 FISCAL YEAR ENDED SEPTEMBER 30, 2002
 (In Thousands)

FUNCTIONS/PROGRAMS	EXPENSES	PROGRAM REVENUES			NET (EXPENSE) REVENUE
		CHARGES FOR SERVICES	OPERATING GRANTS/ CONTRIBUTIONS	CAPITAL GRANTS/ CONTRIBUTIONS	
Mackinac Bridge Authority	\$ 8,330	\$ 10,501	\$ -	\$ -	\$ 2,171
Mackinac Island State Park Commission	4,767	4,755	166	-	155
Michigan Broadband Development Authority	1,792	-	-	-	(1,792)
Michigan Economic Development Corporation	160,954	-	117,268	-	(43,685)
Michigan Higher Education Assistance Authority	155,221	21,485	139,227	-	5,492
Michigan Higher Education Facilities Authority	96	128	-	-	32
Michigan Higher Education Student Loan Authority	61,751	62,702	5,260	-	6,211
Michigan Public Educational Facilities Authority	62	8	-	-	(54)
Michigan State Hospital Finance Authority	1,280	993	-	-	(287)
Michigan Strategic Fund	155,172	1,123	35,861	-	(118,188)
State Bar of Michigan	8,629	8,929	27	-	328
Total	\$ 558,052	\$ 110,624	\$ 297,810	\$ -	\$ (149,618)

Michigan

GENERAL REVENUES

INTEREST AND INVESTMENT EARNINGS (LOSS)	PAYMENTS FROM STATE OF MICHIGAN	OTHER	SPECIAL ITEMS	CHANGE IN NET ASSETS	NET ASSETS BEGINNING OF YEAR RESTATED	NET ASSETS END OF YEAR
\$ 701	\$ -	\$ -	\$ -	\$ 2,872	\$ 124,022	\$ 126,894
215	-	-	-	370	6,765	7,135
349	-	-	-	(1,443)	-	(1,443)
(1,238)	-	3,167	-	(41,755)	306,112	264,357
372	-	-	-	5,863	10,017	15,880
7	-	-	-	39	378	417
-	-	-	-	6,211	109,319	115,531
6	-	-	4,629	4,581	-	4,581
512	-	-	(5,000)	(4,775)	10,214	5,439
-	105,003	13,133	-	(52)	176	124
(230)	-	-	-	98	6,282	6,380
<u>\$ 694</u>	<u>\$ 105,003</u>	<u>\$ 16,301</u>	<u>\$ (371)</u>	<u>\$ (27,991)</u>	<u>\$ 573,286</u>	<u>\$ 545,295</u>



COMPONENT UNITS – STATE UNIVERSITIES

The State has thirteen legally separate public universities, ten of which are included in this report as component units and three of which are excluded. Included are the ten universities whose governing boards are appointed by the Governor and for which the State is legally accountable, as prescribed by GASB Statement No. 14. Excluded are those three that have governing boards whose members are elected by the voters and, therefore, considered separate special purpose governments. The three that are excluded are the largest public universities: Michigan State University, University of Michigan, and Wayne State University. Also excluded are the public community colleges, for which local units of government are legally accountable.

The information presented in this report for the ten universities is based upon their separately issued financial statements for the fiscal year ended on June 30, 2002. The universities include Central Michigan University and Western Michigan University presented as major component units and the following non-major component units: Eastern Michigan University, Ferris State University, Grand Valley State University, Lake Superior State University, Michigan Technological University, Northern Michigan University, Oakland University, and Saginaw Valley State University.

Michigan

**COMBINING STATEMENT OF NET ASSETS
NON-MAJOR COMPONENT UNITS
STATE UNIVERSITIES**

JUNE 30, 2002

(In Thousands)

	EASTERN MICHIGAN UNIVERSITY	FERRIS STATE UNIVERSITY	GRAND VALLEY STATE UNIVERSITY	LAKE SUPERIOR STATE UNIVERSITY
ASSETS				
Current Assets:				
Cash	\$ 61,073	\$ 18,943	\$ 5,398	\$ 3,248
Amounts due from component units	-	-	121	-
Amounts due from primary government	20,862	12,473	30,476	2,777
Amounts due from federal government	1,238	684	2,063	213
Amounts due from local units	-	-	-	-
Inventories	407	1,041	1,703	929
Investments	-	22,088	18,280	-
Other current assets	14,391	4,377	13,815	604
Total Current Assets	<u>97,971</u>	<u>59,607</u>	<u>71,855</u>	<u>7,771</u>
Restricted Assets:				
Cash and cash equivalents	-	-	2,905	-
Mortgages and loans receivable	10,816	16,851	8,438	2,311
Investments	29	27,908	72,530	14,461
Capital Assets:				
Land and other non-depreciable assets	10,590	4,002	20,932	2,030
Buildings, equipment, and other depreciable assets	417,971	303,477	351,528	121,230
Less accumulated depreciation	(172,204)	(121,519)	(90,409)	(53,200)
Infrastructure	24,943	6,065	-	1,313
Construction in progress	7,593	13,115	55,133	1,272
Total capital assets	<u>288,893</u>	<u>205,140</u>	<u>337,184</u>	<u>72,644</u>
Other noncurrent assets	1,907	2,017	9,068	-
Total Assets	<u>\$ 399,616</u>	<u>\$ 311,523</u>	<u>\$ 501,981</u>	<u>\$ 97,187</u>
LIABILITIES				
Current Liabilities:				
Accounts payable and other liabilities	\$ 24,035	\$ 11,012	\$ 31,211	\$ 1,525
Amounts due to primary government	654	500	131	153
Bonds and notes payable	5,000	2,380	5,200	735
Interest payable	483	1,533	1,238	204
Deferred revenue	6,295	4,193	7,789	800
Current portion of other long-term obligations	-	-	2,355	3,457
Total Current Liabilities	<u>36,466</u>	<u>19,619</u>	<u>47,925</u>	<u>6,875</u>
Deferred revenue	409	827	-	-
Bonds and notes payable	99,792	75,148	105,203	31,780
Noncurrent portion of other long-term obligations	6,551	12,266	2,439	2,111
Total Liabilities	<u>\$ 143,218</u>	<u>\$ 107,860</u>	<u>\$ 155,566</u>	<u>\$ 40,765</u>
NET ASSETS				
Invested in capital assets, net of related debt	\$ 184,101	\$ 142,370	\$ 229,441	\$ 47,395
Restricted For:				
Education	-	31,742	41,417	5,501
Construction and debt service	30,661	-	850	828
Other purposes	14,855	-	-	2,683
Unrestricted	<u>26,781</u>	<u>29,551</u>	<u>74,707</u>	<u>15</u>
Total Net Assets	<u>\$ 256,398</u>	<u>\$ 203,663</u>	<u>\$ 346,415</u>	<u>\$ 56,422</u>

Michigan

MICHIGAN TECHNOLOGICAL UNIVERSITY	NORTHERN MICHIGAN UNIVERSITY	OAKLAND UNIVERSITY	SAGINAW VALLEY STATE UNIVERSITY	TOTALS JUNE 30, 2002
\$ 5,060	\$ 33,383	\$ 11,290	\$ 18,044	\$ 156,440
126	229	185	-	662
10,901	12,626	14,597	10,735	115,446
2,090	571	1,626	1,199	9,684
-	33	73	-	106
1,456	1,158	549	667	7,910
-	90	-	12,041	52,499
4,983	5,026	7,420	1,206	51,821
<u>24,616</u>	<u>53,117</u>	<u>35,739</u>	<u>43,891</u>	<u>394,566</u>
-	-	22,608	-	25,513
10,745	7,202	1,695	165	58,223
7,242	20,641	46,500	3,523	192,835
8,793	4,536	4,325	2,377	57,585
299,088	230,203	282,834	232,330	2,238,660
(149,862)	(83,643)	(110,742)	(73,419)	(854,998)
10,069	14,690	-	-	57,080
688	10,483	52,569	13,397	154,251
<u>168,776</u>	<u>176,270</u>	<u>228,986</u>	<u>174,685</u>	<u>1,652,577</u>
-	-	662	-	13,654
<u>\$ 211,379</u>	<u>\$ 257,229</u>	<u>\$ 336,189</u>	<u>\$ 222,265</u>	<u>\$ 2,337,368</u>
\$ 9,669	\$ 13,015	\$ 17,393	\$ 10,120	\$ 117,979
1,288	67	278	1,260	4,331
165	1,750	1,575	-	16,806
15	-	-	-	3,474
2,092	3,041	7,038	2,776	34,023
3,590	1,239	3,131	226	13,999
<u>16,819</u>	<u>19,112</u>	<u>29,415</u>	<u>14,382</u>	<u>190,612</u>
-	-	-	-	1,236
11,170	69,630	90,150	75,185	558,057
1,092	5,360	5,740	1,796	37,354
<u>\$ 29,080</u>	<u>\$ 94,102</u>	<u>\$ 125,305</u>	<u>\$ 91,363</u>	<u>\$ 787,259</u>
\$ 157,098	\$ 123,522	\$ 153,585	\$ 108,860	\$ 1,146,372
2,401	10,499	19,989	1,264	112,812
7,040	-	-	-	39,379
12,602	-	-	-	30,141
3,158	29,106	37,309	20,779	221,405
<u>\$ 182,299</u>	<u>\$ 163,127</u>	<u>\$ 210,883</u>	<u>\$ 130,902</u>	<u>\$ 1,550,109</u>

Michigan

COMBINING STATEMENT OF ACTIVITIES
NON-MAJOR COMPONENT UNITS - STATE UNIVERSITIES
 FISCAL YEAR ENDED JUNE 30, 2002
 (In Thousands)

<u>FUNCTIONS/PROGRAMS</u>	<u>EXPENSES</u>	<u>PROGRAM REVENUES</u>			<u>NET (EXPENSE) REVENUE</u>
		<u>CHARGES FOR SERVICES</u>	<u>OPERATING GRANTS/ CONTRIBUTIONS</u>	<u>CAPITAL GRANTS/ CONTRIBUTIONS</u>	
Eastern Michigan University	\$ 248,377	\$ 145,908	\$ 15,017	\$ 1,092	\$ (86,361)
Ferris State University	160,799	87,477	13,748	18,187	(41,387)
Grand Valley State University	190,617	115,734	20,025	3,825	(51,033)
Lake Superior State University	44,041	18,690	5,628	2,265	(17,458)
Michigan Technological University	154,682	64,952	29,047	2,035	(58,647)
Northern Michigan University	118,360	51,260	16,161	726	(50,212)
Oakland University	155,423	83,418	19,288	52	(52,665)
Saginaw Valley State University	77,712	38,031	11,043	1,873	(26,765)
Total	\$ 1,150,011	\$ 605,470	\$ 129,958	\$ 30,055	\$ (384,528)

Michigan

GENERAL REVENUES

INTEREST AND INVESTMENT EARNINGS (LOSS)	PAYMENTS FROM STATE OF MICHIGAN	OTHER	CHANGE IN NET ASSETS	NET ASSETS BEGINNING OF YEAR RESTATED	NET ASSETS END OF YEAR
\$ 3,254	\$ 92,585	\$ 102	\$ 9,580	\$ 246,818	\$ 256,398
(162)	55,521	-	13,972	189,691	203,663
(107)	64,963	5,274	19,097	327,318	346,415
146	14,230	-	(3,083)	59,504	56,422
(1,044)	55,647	6,741	2,698	179,601	182,299
488	55,444	-	5,720	157,407	163,127
216	70,978	-	18,529	192,355	210,883
879	34,147	-	8,261	122,641	130,902
<u>\$ 3,670</u>	<u>\$ 443,514</u>	<u>\$ 12,118</u>	<u>\$ 74,774</u>	<u>\$ 1,475,335</u>	<u>\$ 1,550,109</u>





TOP:

Carrie Anglewicz, Microbiologist, performing test to identify Salmonella.

CENTER:

Kristine Smith from the Virology Unit tests for West Nile virus.

BOTTOM:

Biosafety level 3 facilities in the Bureau of Laboratories enable the Michigan Department of Community Health to offer diagnostic services for the microorganisms that are most dangerous to handle. Sandra Ardivin, Microbiologist, performs testing for Mycobacterium tuberculosis.



TOP:

Trace Metals staff Jeffrey Dupler and Elsie Wilson perform lead screening for children who live in at-risk housing. Decreasing the level of childhood exposure to lead results in improved health and intellectual capacity of exposed children and infants.



CENTER:

Dr. Richard Scheel, Clinical Health Scientist Specialist, works in the Analytical Chemistry Section and tests to determine the level of metals and contaminants in fish from Michigan's waterways. They also perform similar analysis to assess human exposure to chemicals and pesticides and chemical agents of bioterrorism.

BOTTOM:

The Newborn Screening Section tests all babies born in Michigan for seven potentially fatal or debilitating diseases. Technician Margaret Tinsel prepares specimen-testing materials for daily testing.