



## II FINANCIAL SECTION

### REQUIRED SUPPLEMENTARY INFORMATION

**Michigan**

**REQUIRED SUPPLEMENTARY INFORMATION**

**BUDGETARY COMPARISON SCHEDULE  
MAJOR GOVERNMENTAL FUNDS  
SEPTEMBER 30, 2003  
(In Thousands)**

	GENERAL FUND			VARIANCE WITH FINAL BUDGET
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	
Beginning budgetary fund balance	\$ 1,282,728	\$ 1,282,728	\$ 1,282,728	\$ -
Resources (inflows):				
General Purpose Revenues:				
Taxes	8,171,400	7,938,407	7,938,407	-
Federal	30,000	216,241	216,241	-
Local	1,800	923	923	-
Licenses and permits	24,000	16,866	16,866	-
Services	4,800	8,518	8,518	-
Miscellaneous	19,100	195,210	195,210	-
Transfers in	153,000	523,340	523,340	-
Restricted Revenues:				
Taxes	1,727,022	2,276,043	2,276,043	-
Federal	8,735,187	8,542,910	8,542,910	-
Local	1,048,077	1,038,731	1,038,731	-
Licenses and permits	252,485	225,991	225,991	-
Services	106,399	112,099	112,099	-
Miscellaneous	1,347,924	575,045	575,045	-
Transfers in	140,323	290,924	290,924	-
Total Revenue Inflows	<u>21,761,517</u>	<u>21,961,247</u>	<u>21,961,247</u>	<u>-</u>
Amounts Available for Appropriation	<u>23,044,245</u>	<u>23,243,975</u>	<u>23,243,975</u>	<u>-</u>
Charges to Appropriations (outflows):				
Legislative Branch	140,851	128,262	127,637	625
Judicial Branch	250,461	239,171	238,934	238
Executive Branch:				
Agriculture	94,735	87,372	86,578	794
Attorney General	61,932	53,552	52,691	860
Career Development	460,667	473,239	473,088	150
Civil Rights	14,401	14,046	13,362	684
Civil Service	33,543	30,350	30,015	336
Colleges and Universities Grants	2,134,519	2,050,441	2,050,270	171
Community Health	9,312,681	9,569,703	9,561,300	8,403
Consumer and Industry Services	271,532	231,634	227,958	3,677
Corrections	1,745,118	1,702,662	1,671,840	30,822
Education	413,054	524,034	523,537	497
Environmental Quality	324,847	192,524	190,349	2,175
Executive Office	5,428	5,050	5,023	27
Family Independence Agency	4,095,926	3,935,062	3,892,385	42,676
History, Arts & Libraries	72,575	71,842	70,575	1,268
Management and Budget	576,353	586,318	577,404	8,914
Military and Veterans Affairs	98,697	99,746	98,526	1,220
Natural Resources	108,379	91,286	90,591	695
State	185,894	174,375	170,064	4,310
State Police	424,427	398,606	398,492	114
Transportation	28,904	9,131	8,228	904
Treasury	1,896,825	2,541,335	2,526,621	14,714
Intrafund expenditure reimbursements	-	(553,283)	(553,283)	-
Total Charges to Appropriations	<u>22,751,749</u>	<u>22,656,458</u>	<u>22,532,186</u>	<u>124,273</u>
Reconciling Items:				
Encumbrances at September 30	-	104,617	104,617	-
Change in noncurrent assets	-	68,139	68,139	-
Net Reconciling Items	-	172,756	172,756	-
Ending Budgetary Fund Balance	<u>\$ 292,495</u>	<u>\$ 760,273</u>	<u>\$ 884,545</u>	<u>\$ 124,273</u>

**Michigan**

COUNTER-CYCLICAL BUDGET AND ECONOMIC STABILIZATION FUND				SCHOOL AID FUND			
ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
\$ 145,150	\$ 145,150	\$ 145,150	\$ -	\$ 241,282	\$ 241,282	\$ 241,282	\$ -
-	-	-	-	10,547,061	10,128,721	10,128,721	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
15,400	1,821	1,821	-	700	18,757	18,757	-
-	9,097	9,097	-	595,000	720,353	720,353	-
-	-	-	-	-	-	-	-
-	-	-	-	1,219,825	1,069,511	1,069,511	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	230,414	281,413	281,413	-
15,400	10,917	10,917	-	12,593,000	12,218,755	12,218,755	-
160,550	156,068	156,068	-	12,834,282	12,460,037	12,460,037	-
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## REQUIRED SUPPLEMENTARY INFORMATION

## BUDGETARY COMPARISON SCHEDULE

## BUDGET-TO-GAAP RECONCILIATION

SEPTEMBER 30, 2003

(In Thousands)

	GENERAL FUND	COUNTER - CYCLICAL BUDGET AND ECONOMIC STABILIZATION FUND	SCHOOL AID FUND
<b>Sources/inflows of resources</b>			
Actual amounts (budgetary basis) "available for appropriation" from the budgetary comparison schedule	\$ 23,243,975	\$ 156,068	\$ 12,460,037
Differences - budget to GAAP:			
Budgetary fund balance at the beginning of the year is a budgetary resource but is not a current-year revenue for financial reporting purposes.	(1,282,728)	(145,150)	(241,282)
Transfers from other funds are inflows of budgetary resources but are not revenues for financial reporting purposes.	<u>(814,264)</u>	<u>(9,097)</u>	<u>(1,001,766)</u>
Total revenues as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds.	<u>\$ 21,146,983</u>	<u>\$ 1,821</u>	<u>\$ 11,216,989</u>
<b>Uses/outflows of resources</b>			
Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule.	\$ 22,532,186	\$ 156,068	\$ 12,345,858
Differences - budget to GAAP:			
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial reporting purposes.	(104,617)	-	(310)
Transfers to other funds are outflows of budgetary resources but are not expenditures for financial reporting purposes.	(701,519)	(156,068)	(11,106)
Capital lease acquisitions are not outflows of budgetary resources but are recorded as current expenditures and other financing sources under GAAP.	<u>16,052</u>	<u>-</u>	<u>-</u>
Total expenditures as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds.	<u>\$ 21,742,102</u>	<u>\$ -</u>	<u>\$ 12,334,442</u>

## Required Supplementary Information

### Notes to Required Supplementary Information – Budgetary Reporting

#### Statutory/Budgetary Presentation

The various funds and programs within funds utilize a number of different budgetary control processes. Annual legislative appropriations and revenue estimates are provided for most “operating” funds. (Note 2 of the basic financial statements identifies the annually budgeted operating funds.)

The original executive budget and original legislative appropriations provide general purpose (unrestricted) revenue estimates in order to demonstrate compliance with constitutional provisions. Revenues restricted by law or outside grantors to a specific program are estimated at a level of detail consistent with controlling related expenditure accounts.

For programs financed from restricted revenues, spending authorization is generally contingent upon recognition of the related revenue. Reductions of spending authority occur if revenues fall short of estimates. If revenues exceed the estimate, supplemental appropriations are required before the additional resources can be spent.

The budgetary comparison schedule presented for the General Fund, the Budget Stabilization Fund, and the School Aid Fund presents both the original and final appropriated budgets for fiscal year 2002-2003, as well as the actual resource inflows, outflows and fund balance stated on the budgetary basis. The supplementary portion of this report includes a Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual, by fund type, for non-major special revenue and permanent funds with annual budgets. Those schedules only include the final appropriated budget.

The original budget and related estimated revenues represent the spending authority enacted into law by the appropriation bills as of October 1, 2002, and includes encumbrance and multi-year projects budgetary carry-forwards from the prior fiscal year.

The budgetary fund balance represents total fund balance, net of reserves for noncurrent assets. Reserves for noncurrent assets do not represent current financial resources available for appropriation and are removed for budgetary purposes.

Generally accepted accounting principles (GAAP) require that the final legal budget be reflected in the “final budget” column, therefore updated revenue estimates available for appropriations as of November 30, rather than the amounts shown in the original budget, are reported. The November 30 date is used because P.A. 431 of 1984, as amended, permits budget adjustments by the Legislature through 60 days after year-end.

The final appropriations budget represents original and supplemental appropriations, carry-forwards, carry-backs (i.e., current year appropriations for prior year overdrafts), approved transfers, executive order reductions, and timing differences. Expenditures, transfers out, other financing uses, and encumbrances are combined and classified by department rather than being reported by character and function as shown in the GAAP statements. This departmental classification is used to better reflect organizational responsibility and to be more consistent with the budget process. Appropriations include interagency expenditure reimbursement, in which one agency provides funding to another agency within the same fund. The final budget and actual amounts are adjusted to eliminate the duplication.

The timing differences result from unspent authorizations for multi-year projects, such as capital outlay and work projects, and from restricted revenues that had not been appropriated for expenditure in the current year. Such authorization balances remaining at year-end are removed from the final budget column to provide an “annualized” budget.

Positive “variances” reflect restricted revenues that were appropriated and available for expenditure in the current year and unused general purpose spending authority (lapses); negative “variances” reflect budgetary overdrafts. If both positive and negative variances exist for a particular line, the amount shown is the net variance.

#### Statutory/Budgetary Reconciliation

The statutory/budgetary basis presentation differs from GAAP in ways that do not affect ending fund balance.

For budgetary reporting purposes, expenditures and transfers out in the “Actual” column include recorded encumbrances, because they are considered uses of spending authority in the year the State incurs an obligation. The “Original” and “Final Budget” columns include encumbrance authorization balances carried over from the prior fiscal year, because they provided spending authority in the current year. In the GAAP basis statements, expenditures do not include encumbrances. The effect of this difference is reflected as a reconciling item on the Budgetary Comparison Schedule for the major funds and the Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual for the non-major special revenue funds and permanent funds. The encumbrance of spending authority is recorded as a reservation of fund balance under both bases of accounting.

For budgetary purposes, capitalizable lease expenditures are recognized when payments are due, rather than upon lease inception as required by GAAP. This difference does not affect fund balance because the “other financing sources” recorded under GAAP at lease inception are not recorded on the statutory/budgetary basis.

**Required Supplementary Information**

**Information About Infrastructure Assets Reported Using the Modified Approach**

As allowed by GASB Statement No. 34, Basic Financial Statements – and Management’s Discussion and Analysis - for State and Local Governments, the State has adopted an alternative process for recording depreciation expense on selected infrastructure assets. Under this alternative method, referred to as the modified approach, the State expenses certain maintenance and preservation costs and does not report depreciation expense. Assets accounted for under the modified approach include the State’s network of public transportation roads and bridges, including ancillary assets, such as guard rails, signs, lighting, culverts, fencing, and the like. The State is responsible for maintaining approximately 27,460 lane miles of roads and 4,728 bridges (spans in excess of 20 feet).

In order to utilize the modified approach, the State is required to:

- Maintain an asset management system that includes an up-to-date inventory of eligible infrastructure assets.
- Perform condition assessments of eligible assets and summarize the results using a measurement scale.
- Estimate each year the annual amount to maintain and preserve the assets at the condition level established and disclosed by the State.
- Document that the assets are being preserved approximately at, or above, the established condition level.

**Roads**

**Measurement Scale**

The Michigan Department of Transportation (MDOT) uses numerous methods to determine the condition of roadway pavements; however, the Sufficiency Rating serves as the State’s primary method to measure and monitor pavement conditions. In use since 1961, the Sufficiency Rating is a visual analysis conducted by an engineer and includes a 5-point scale, as follows:

Rating	Bituminous Surface	Concrete Surface
1.0 = Excellent	Pavement shows no visible deterioration. Distresses are non-existent.	Same
2.0 = Good	Some indication of initial deterioration, but not yet requiring appreciable amounts of maintenance. Distress items include the start of small transverse and/or longitudinal cracks. Slight rutting may be apparent in the wheel path.	Some indication of initial deterioration, but not yet requiring appreciable amounts of maintenance. Distress items may include the start of small transverse and/or longitudinal cracks, or slight seam and joint separation. Joints may show very small amounts of deterioration.
3.0 = Fair	Average deterioration requiring occasional routine maintenance. Distresses may include minor transverse and longitudinal cracking becoming continuous throughout the segment. Severe cracking is patched effectively. Rutting may be a little more severe and hold small amounts of water.	Average deterioration requiring occasional routine maintenance. Distresses may include minor transverse and longitudinal cracking becoming continuous throughout the segment. Severe cracking is patched effectively. Through lanes and shoulders may begin to show separation from failing tie bars.
4.0 = Poor	Excessive deterioration requiring frequent maintenance and warrants resurfacing soon. Distress may be evident in wide transverse and longitudinal cracks. Severe “shallow cracking” could be evident if the pavement is composite. If the segment has been patched, the cracks may be showing through. Rutting is severe and may effect driving.	Excessive deterioration requiring frequent maintenance and warrants resurfacing soon. Distress may be evident in wide transverse and longitudinal cracks. If the segment has been patched, cracks may be showing through. Joint repairs could begin to fail. Shoulder and/or through-lane separation may be apparent. Popouts or spalling could also be present in the section.
5.0 = Very Poor /Failed	Extreme deterioration requiring continuous maintenance and warrants resurfacing or total cross-section replacement. Distress items may include severe transverse and longitudinal cracking or severe alligator cracking. Shadow cracking in composite pavement is wider than 1”. Rutting in wheel path may be severe and patching is no longer beneficial to pavement condition.	Extreme deterioration requiring continuous maintenance and warrants resurfacing or total cross-section replacement. Distress items may include severe transverse and longitudinal cracking, joints are failed, and the patching is no longer beneficial to pavement condition. Spalling and edge cracking could also be severe.

**Established Condition Level**

No more than 30% of the pavements shall be rated as “poor” or “very poor.”

**Assessed Conditions**

The State assesses condition on a calendar year basis. The following table reports the percentage of pavements meeting ratings of “Good” or “Poor”, for the past five years. “Good” represents ratings of 1.0 through 3.0 above and “Poor” represents ratings of 4.0 and 5.0.

Rating	2002	2001	2000	1999	1998
Good	78.1%	78%	78%	75%	73%
Poor	21.9%	22%	22%	25%	27%

**Bridges**

**Measurement Scale**

MDOT utilizes the National Bridge Inventory to monitor the condition of bridges (spans in excess of 20 feet) under its jurisdiction. The inventory rates bridges, including the deck, superstructure and substructure, using a 10-point scale:

Rating	Description
9	Excellent (no specific definition).
8	Very good.
7	Good. Some minor problems.
6	Satisfactory. Structural elements show some minor deterioration.
5	Fair. All primary structural elements are sound but may have minor section loss, cracking, spalling, or scour.
4	Poor. Advanced section loss, deterioration, spalling, or scour.
3	Serious. Loss of section, deterioration, spalling, or scour have seriously affected primary structural components. Local failures are possible. Fatigue cracks in steel or shear cracks in concrete may be present.
2	Critical. Advanced deterioration of primary structural elements. Fatigue cracks in steel or shear cracks in concrete may be present or scour may have removed substructure support. Unless closely monitored it may be necessary to close the bridge until corrective action is taken.
1	Imminent failure. Major deterioration or section loss present in critical structural components or obvious vertical or horizontal movement affecting structure stability. Bridge is closed to traffic, but corrective action may put it back in light service.
0	Failure. Out of service; beyond corrective action.

**Established Condition Level**

No more than 35% of the bridges shall be rated as "structurally deficient."

**Assessed Conditions**

"Structurally deficient" results when a condition of 4 or worse is assessed to at least one of the major structural elements (e.g. the deck, superstructure, or substructure). The following table reports the percentage of bridges whose condition was assessed as "structurally deficient", in the stated year:

Calendar Year	Structurally Deficient
2002	20.3%
2001	20.9%
2000	22.5%
1999	18.9%
1998	19.2%

**Budgeted and Estimated Costs to Maintain**

The following table presents the State's estimate of spending necessary to preserve and maintain the roads and bridges at, or above, the "Established Condition Levels" cited above, and the actual amount spent during the past five fiscal years (in millions):

Fiscal Year	Estimated Spending	Actual Spending
2003-2004	\$921.0	-
2002-2003	\$873.6	\$791.3
2001-2002	\$993.3	\$798.2
2000-2001	\$984.3	\$915.2
1999-2000	\$817.4	\$895.3
1998-1999	\$831.8	\$822.0

The budgeting process utilized by the Department of Transportation results in spending in one fiscal year from amounts that were budgeted in a previous year(s). Therefore, this timing difference does not allow a true comparison of amounts budgeted and spent within a given year. This table, and other tables within this narrative demonstrate that the State has incurred the necessary expenditures to meet its desired condition levels.





*Blue Water Bridge, Port Huron. Photo courtesy MDOT.*



*Grand Haven Lighthouse, Grand Haven. Photo courtesy Carl Ter Haar, Travel Michigan.*



## **II FINANCIAL SECTION**

### **COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES - NON-MAJOR FUNDS**

**Michigan**

**BALANCE SHEET**  
**NON-MAJOR GOVERNMENTAL FUNDS - BY FUND TYPE**  
 SEPTEMBER 30, 2003  
 (In Thousands)

	SPECIAL REVENUE	DEBT SERVICE	CAPITAL PROJECTS	PERMANENT FUNDS	TOTALS
<b>ASSETS</b>					
Current Assets:					
Cash	\$ 228	\$ 4,897	\$ -	\$ -	\$ 5,125
Equity in common cash	1,200,708	7,621	13,723	187,210	1,409,261
Taxes, interest, and penalties receivable	123,438	-	-	-	123,438
Amounts due from other funds	551,175	4,838	109,085	-	665,099
Amounts due from component units	1,132	-	9,858	-	10,990
Amounts due from federal agencies	180,311	-	55	-	180,366
Amounts due from local units	52,586	-	8,319	124	61,029
Inventories	5,708	-	-	-	5,708
Investments	-	353,461	56,268	-	409,729
Securities lending collateral	11,190	-	-	40,738	51,928
Other current assets	31,983	299	42	11,490	43,814
Total Current Assets	<u>2,158,459</u>	<u>371,115</u>	<u>197,350</u>	<u>239,561</u>	<u>2,966,486</u>
Taxes, interest, and penalties receivable	1,762	-	-	-	1,762
Advances to other funds	25,984	-	-	-	25,984
Amounts due from local units	45,103	-	-	-	45,103
Investments	71,523	6,000	-	314,495	392,018
Other noncurrent assets	8,227	-	-	-	8,227
Total Assets	<u>\$ 2,311,058</u>	<u>\$ 377,115</u>	<u>\$ 197,350</u>	<u>\$ 554,056</u>	<u>\$ 3,439,579</u>
<b>LIABILITIES AND FUND BALANCES</b>					
Current Liabilities:					
Warrants outstanding	\$ 53,806	\$ 323	\$ 79	\$ 1,374	\$ 55,582
Obligations under security lending	11,190	-	-	40,738	51,928
Accounts payable and other liabilities	628,276	5,225	105,958	3,265	742,724
Amounts due to other funds	73,111	1,955	189,335	28	264,428
Amounts due to component units	-	-	-	122	122
Bonds and notes payable	-	-	338,490	-	338,490
Interest payable	-	-	111	-	111
Deferred revenue	71,028	-	-	-	71,028
Total Current Liabilities	<u>837,410</u>	<u>7,503</u>	<u>633,973</u>	<u>45,527</u>	<u>1,524,413</u>
Long-Term Liabilities:					
Advances from other funds	25,984	-	-	-	25,984
Deferred revenue	20,687	-	-	-	20,687
Total Liabilities	<u>884,081</u>	<u>7,503</u>	<u>633,973</u>	<u>45,527</u>	<u>1,571,084</u>
Fund Balances:					
Reserved fund balance	969,481	300	-	473,810	1,443,591
Unreserved fund balance (deficit)	457,496	369,313	(436,623)	34,719	424,905
Total Fund Balances	<u>1,426,977</u>	<u>369,613</u>	<u>(436,623)</u>	<u>508,529</u>	<u>1,868,496</u>
Total Liabilities and Fund Balances	<u>\$ 2,311,058</u>	<u>\$ 377,115</u>	<u>\$ 197,350</u>	<u>\$ 554,056</u>	<u>\$ 3,439,579</u>

**Michigan**

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**NON-MAJOR GOVERNMENTAL FUNDS - BY FUND TYPE**  
 FISCAL YEAR ENDED SEPTEMBER 30, 2003  
 (In Thousands)

	SPECIAL REVENUE	DEBT SERVICE	CAPITAL PROJECTS	PERMANENT FUNDS	TOTALS
<b>REVENUES</b>					
Taxes	\$ 2,082,787	\$ -	\$ -	\$ -	\$ 2,082,787
From federal agencies	984,190	-	66	885	985,141
From local agencies	123,732	-	-	-	123,732
From services	581	-	-	-	581
From licenses and permits	174,929	-	-	-	174,929
Miscellaneous	599,169	5,519	4,418	67,874	676,980
<b>Total Revenues</b>	<b>3,965,387</b>	<b>5,519</b>	<b>4,484</b>	<b>68,759</b>	<b>4,044,150</b>
<b>EXPENDITURES</b>					
Current:					
General government	137,112	39	2,206	-	139,356
Education	97,625	6,360	235,310	-	339,295
Family independence services	4	-	-	2,582	2,586
Public safety and corrections	181	-	-	3,254	3,436
Conservation, environment, recreation, and agriculture	249,101	-	59	9,990	259,150
Labor, commerce, and regulatory	192,519	-	-	-	192,519
Health services	74,797	-	-	-	74,797
Transportation	2,080,361	-	-	-	2,080,361
Capital outlay	1,047,034	-	58,469	19,846	1,125,350
Debt Service:					
Bond principal retirement	-	222,477	-	-	222,477
Bond interest and fiscal charges	-	239,054	-	-	239,054
Capital lease payments	1,055	-	-	-	1,055
<b>Total Expenditures</b>	<b>3,879,791</b>	<b>467,930</b>	<b>296,044</b>	<b>35,672</b>	<b>4,679,437</b>
Excess of Revenues over (under) Expenditures	85,596	(462,410)	(291,560)	33,087	(635,287)
<b>OTHER FINANCING SOURCES (USES)</b>					
Bonds and notes issued	340,584	-	228,032	-	568,616
Premium on bond issuance	11,670	64,393	11,498	-	87,561
Refunding bonds issued	-	692,694	-	-	692,694
Payment to refunded bond escrow agent	-	(851,235)	-	-	(851,235)
Transfers from other funds	1,063,480	522,769	12,157	10,001	1,608,409
Transfers to other funds	(1,629,477)	(3,501)	(15,624)	(10,120)	(1,658,722)
<b>Total Other Financing Sources (Uses)</b>	<b>(213,742)</b>	<b>425,120</b>	<b>236,063</b>	<b>(119)</b>	<b>447,322</b>
Excess of Revenues and Other Sources over (under) Expenditures Other Uses	(128,146)	(37,290)	(55,496)	32,968	(187,965)
Fund Balances - Beginning of fiscal year restated	1,555,123	406,903	(381,127)	475,561	2,056,461
<b>Fund Balances - End of fiscal year</b>	<b>\$ 1,426,977</b>	<b>\$ 369,613</b>	<b>\$ (436,623)</b>	<b>\$ 508,529</b>	<b>\$ 1,868,496</b>

**Michigan**

**BALANCE SHEET  
SPECIAL REVENUE FUNDS - BY CLASSIFICATION**

SEPTEMBER 30, 2003

(In Thousands)

	TRANSPORTATION RELATED	CONSERVATION, ENVIRONMENT, AND RECREATION RELATED	REGULATORY AND ADMINISTRATIVE RELATED	OTHER STATE FUNDS	TOTALS
<b>ASSETS</b>					
Current Assets:					
Cash	\$ 151	\$ 77	\$ -	\$ -	\$ 228
Equity in common cash	670,490	342,646	63,430	124,141	1,200,708
Taxes, interest, and penalties receivable	117,623	5,815	-	-	123,438
Amounts due from other funds	530,288	1,500	19,387	-	551,175
Amounts due from component units	1,132	-	-	-	1,132
Amounts due from federal agencies	164,639	4,308	11,364	-	180,311
Amounts due from local units	51,023	1,563	-	-	52,586
Inventories	5,594	114	-	-	5,708
Securities lending collateral	-	11,190	-	-	11,190
Other current assets	15,948	10,741	1,272	4,023	31,983
<b>Total Current Assets</b>	<b>1,556,888</b>	<b>377,954</b>	<b>95,453</b>	<b>128,164</b>	<b>2,158,459</b>
Taxes, interest, and penalties receivable	1,615	146	-	-	1,762
Advances to other funds	25,984	-	-	-	25,984
Amounts due from local units	41,047	4,057	-	-	45,103
Investments	-	71,523	-	-	71,523
Other noncurrent assets	6,008	459	-	1,760	8,227
<b>Total Assets</b>	<b>\$ 1,631,541</b>	<b>\$ 454,139</b>	<b>\$ 95,453</b>	<b>\$ 129,924</b>	<b>\$ 2,311,058</b>
<b>LIABILITIES AND FUND BALANCES</b>					
Current Liabilities:					
Warrants outstanding	\$ 48,030	\$ 2,300	\$ 640	\$ 2,835	\$ 53,806
Obligations under security lending	-	11,190	-	-	11,190
Accounts payable and other liabilities	455,525	53,326	17,375	102,049	628,276
Amounts due to other funds	55,013	5,180	12,906	11	73,111
Deferred revenue	58,519	1,853	9,761	895	71,028
<b>Total Current Liabilities</b>	<b>617,087</b>	<b>73,849</b>	<b>40,683</b>	<b>105,791</b>	<b>837,410</b>
Long-Term Liabilities:					
Advances from other funds	25,984	-	-	-	25,984
Deferred revenue	19,561	605	-	521	20,687
<b>Total Liabilities</b>	<b>662,632</b>	<b>74,454</b>	<b>40,683</b>	<b>106,311</b>	<b>884,081</b>
Fund Balances:					
Reserves For:					
Budgetary Carry-Forwards:					
Encumbrances	69,341	30,389	637	3,184	103,551
Restricted revenues	242,386	99,719	7,921	-	350,026
Multi-year projects	238,987	40,097	-	483	279,567
Construction and debt service	55,247	-	-	-	55,247
Revolving loan programs	27,854	5,484	-	-	33,338
Funds held as permanent investments	-	116,775	-	-	116,775
Noncurrent assets	29,217	-	-	1,760	30,977
<b>Total Reserved</b>	<b>663,033</b>	<b>292,464</b>	<b>8,558</b>	<b>5,427</b>	<b>969,481</b>
Unreserved	305,876	87,221	46,212	18,186	457,496
<b>Total Fund Balances</b>	<b>968,909</b>	<b>379,685</b>	<b>54,770</b>	<b>23,613</b>	<b>1,426,977</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 1,631,541</b>	<b>\$ 454,139</b>	<b>\$ 95,453</b>	<b>\$ 129,924</b>	<b>\$ 2,311,058</b>

**Michigan**

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**SPECIAL REVENUE FUNDS - BY CLASSIFICATION**  
 FISCAL YEAR ENDED SEPTEMBER 30, 2003  
 (In Thousands)

	TRANSPORTATION RELATED	CONSERVATION, ENVIRONMENT, AND RECREATION RELATED	REGULATORY AND ADMINISTRATIVE RELATED	OTHER STATE FUNDS	TOTALS
<b>REVENUES</b>					
Taxes	\$ 2,024,694	\$ 58,093	\$ -	\$ -	\$ 2,082,787
From federal agencies	866,308	6,437	111,445	-	984,190
From local agencies	123,732	-	-	-	123,732
From services	580	-	2	-	581
From licenses and permits	75,217	91,270	8,442	-	174,929
Miscellaneous	66,333	67,130	71,377	394,329	599,169
<b>Total Revenues</b>	<b>3,156,863</b>	<b>222,930</b>	<b>191,265</b>	<b>394,329</b>	<b>3,965,387</b>
<b>EXPENDITURES</b>					
Current:					
General government	-	1,521	15,553	120,038	137,112
Education	-	-	-	97,625	97,625
Family independence services	-	-	-	4	4
Public safety and corrections	-	-	-	181	181
Conservation, environment, recreation, and agriculture	-	249,101	-	-	249,101
Labor, commerce, and regulatory	-	-	185,654	6,865	192,519
Health services	-	1,318	-	73,479	74,797
Transportation	2,080,361	-	-	-	2,080,361
Capital outlay	1,035,886	11,149	-	-	1,047,034
Debt Service:					
Capital lease payments	160	-	896	-	1,055
<b>Total Expenditures</b>	<b>3,116,407</b>	<b>263,088</b>	<b>202,103</b>	<b>298,193</b>	<b>3,879,791</b>
Excess of Revenues over (under) Expenditures	40,457	(40,158)	(10,838)	96,136	85,596
<b>OTHER FINANCING SOURCES (USES)</b>					
Bonds and notes issued	35,020	188,799	-	116,765	340,584
Premium on bond issuance	1,362	10,308	-	-	11,670
Transfers from other funds	995,749	31,439	30,292	6,000	1,063,480
Transfers to other funds	(1,217,647)	(111,541)	(11,591)	(288,698)	(1,629,477)
<b>Total Other Financing Sources (Uses)</b>	<b>(185,516)</b>	<b>119,006</b>	<b>18,701</b>	<b>(165,933)</b>	<b>(213,742)</b>
Excess of Revenues and Other Sources over (under) Expenditures and Other Uses	(145,059)	78,848	7,863	(69,798)	(128,146)
Fund Balances - Beginning of fiscal year	1,113,968	300,837	46,907	93,411	1,555,123
Fund Balances - End of fiscal year	\$ 968,909	\$ 379,685	\$ 54,770	\$ 23,613	\$ 1,426,977

**Michigan**

**SCHEDULE OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL -  
SPECIAL REVENUE FUNDS - BY CLASSIFICATION**  
FISCAL YEAR ENDED SEPTEMBER 30, 2003  
(In Thousands)

<u>Statutory/Budgetary Basis</u>	TRANSPORTATION RELATED			CONSERVATION, ENVIRONMENT, AND RECREATION RELATED		
	BUDGET	ACTUAL	VARIANCE	BUDGET	ACTUAL	VARIANCE
<b>REVENUES AND OTHER SOURCES</b>						
Taxes	\$ 2,024,694	\$ 2,024,694	\$ -	\$ 373	\$ 373	\$ -
From federal agencies	652,702	652,702	-	6,437	6,437	-
From local agencies	40,891	40,891	-	-	-	-
From services	580	580	-	-	-	-
From licenses and permits	75,217	75,217	-	91,270	91,270	-
Miscellaneous	59,384	59,384	-	25,572	25,572	-
Transfers in	984,544	984,544	-	27,939	27,939	-
	<u>3,838,012</u>	<u>3,838,012</u>	<u>-</u>	<u>151,591</u>	<u>151,591</u>	<u>-</u>
<b>EXPENDITURES, TRANSFERS OUT, AND ENCUMBRANCES - BY BRANCH, DEPARTMENT/AGENCY</b>						
Attorney General	-	-	-	-	-	-
Career Development	-	-	-	-	-	-
Colleges and Universities Grants	-	-	-	-	-	-
Community Health	-	-	-	-	-	-
Consumer and Industry Services	-	-	-	-	-	-
Management and Budget	-	-	-	-	-	-
Natural Resources	-	-	-	199,368	190,433	8,936
Transportation	4,026,888	3,848,310	178,578	-	-	-
Treasury	-	-	-	-	-	-
	<u>4,026,888</u>	<u>3,848,310</u>	<u>178,578</u>	<u>199,368</u>	<u>190,433</u>	<u>8,936</u>
Total Expenditures, Transfers Out, and Encumbrances	<u>4,026,888</u>	<u>3,848,310</u>	<u>178,578</u>	<u>199,368</u>	<u>190,433</u>	<u>8,936</u>
Revenues and Other Sources over (under) Expenditures, Encumbrances, and Other Uses (Statutory/budgetary basis)	<u>\$ (188,875)</u>	<u>(10,298)</u>	<u>\$ 178,578</u>	<u>\$ (47,777)</u>	<u>(38,841)</u>	<u>\$ 8,936</u>
Reconciling Items:						
Encumbrances at September 30		69,341			26,948	
Funds not annually budgeted		(204,103)			90,740	
Net Reconciling Items		<u>(134,762)</u>			<u>117,689</u>	
Excess of Revenues and Other Sources over (under) Expenditures and Other Uses (GAAP Basis)		<u>(145,059)</u>			<u>78,848</u>	
<b>FUND BALANCES (GAAP BASIS)</b>						
Beginning balances		1,113,968			300,837	
Ending balances (GAAP Basis)		<u>\$ 968,909</u>			<u>\$ 379,685</u>	

**Michigan**

REGULATORY AND ADMINISTRATIVE RELATED			OTHER STATE FUNDS			TOTALS		
BUDGET	ACTUAL	VARIANCE	BUDGET	ACTUAL	VARIANCE	BUDGET	ACTUAL	VARIANCE
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,025,066	\$ 2,025,066	\$ -
111,445	111,445	-	-	-	-	770,584	770,584	-
-	-	-	-	-	-	40,891	40,891	-
2	2	-	-	-	-	581	581	-
8,442	8,442	-	-	-	-	174,929	174,929	-
36,043	36,043	-	320,397	320,397	-	441,395	441,395	-
29,472	29,472	-	6,000	6,000	-	1,047,956	1,047,956	-
<u>185,402</u>	<u>185,402</u>	<u>-</u>	<u>326,397</u>	<u>326,397</u>	<u>-</u>	<u>4,501,403</u>	<u>4,501,403</u>	<u>-</u>
-	-	-	352	233	118	352	233	118
-	-	-	16,540	7,268	9,273	16,540	7,268	9,273
-	-	-	104,261	103,992	270	104,261	103,992	270
-	-	-	75,993	73,523	2,470	75,993	73,523	2,470
162,075	160,003	2,072	-	-	-	162,075	160,003	2,072
-	-	-	32,500	32,500	-	32,500	32,500	-
-	-	-	-	-	-	199,368	190,433	8,936
-	-	-	-	-	-	4,026,888	3,848,310	178,578
24,421	24,421	-	191,978	186,041	5,936	216,399	210,463	5,936
<u>186,496</u>	<u>184,424</u>	<u>2,072</u>	<u>421,624</u>	<u>403,557</u>	<u>18,067</u>	<u>4,834,376</u>	<u>4,626,724</u>	<u>207,652</u>
<u>\$ (1,094)</u>	<u>978</u>	<u>\$ 2,072</u>	<u>\$ (95,227)</u>	<u>(77,160)</u>	<u>\$ 18,067</u>	<u>\$ (332,973)</u>	<u>(125,321)</u>	<u>\$ 207,652</u>
	637			3,184			100,110	
	6,248			4,179			(102,936)	
	<u>6,885</u>			<u>7,362</u>			<u>(2,825)</u>	
	<u>7,863</u>			<u>(69,798)</u>			<u>(128,146)</u>	
	<u>46,907</u>			<u>93,411</u>			<u>1,555,123</u>	
	<u>\$ 54,770</u>			<u>\$ 23,613</u>			<u>\$ 1,426,977</u>	



## SPECIAL REVENUE FUNDS - TRANSPORTATION RELATED

### STATE AERONAUTICS FUND

Established pursuant to P.A. 327 of 1945, as amended, this fund accounts for airport improvement projects. Financing consists primarily of aviation fuel taxes and federal and local contributions. Although subject to change in the future, annual appropriation acts have allowed any unobligated and unexpended balance at fiscal year-end to lapse and revert to the fund for appropriation in the following year.

### STATE TRUNKLINE FUND

Established pursuant to Section 11 of P.A. 51 of 1951, as amended, this fund accounts for highway construction and maintenance. Its annual budget is subject to legislative review and appropriation, but the Transportation Commission has significant discretion in determining the funding of individual projects. Financing consists primarily of federal aid, local participation, and transfers from the Michigan Transportation Fund. Expenditures and transfers are for administration, highway maintenance and construction, debt service, and various contractual obligations. Although subject to change in the future, annual appropriation acts have allowed for any fund balance not otherwise reserved at fiscal year-end to be reserved for road and bridge construction.

This fund also is used to record loans made to local units of government for reconstructing and resurfacing roadways. Activities of the Blue Water Bridge program, segregated as a separate fund within the accounting system, are also reported within the State Trunkline Fund. A portion of the receivables and payables between the State Trunkline Fund and the Blue Water Bridge Fund are classified as current and are presented as "Amounts due from other funds" and "Amounts due to other funds". The remainder is classified as long-term "Advances from other funds" and "Advances to other funds" because repayment will not occur within the next 12 months.

### MICHIGAN TRANSPORTATION FUND

Established pursuant to Section 10 of P.A. 51 of 1951, as amended, this fund accounts for the receipt and distribution of several tax revenues dedicated for highway purposes. Transfers are made to the General Fund, State Trunkline Fund, and the Comprehensive Transportation Fund. Expenditures include grants to counties, cities, and villages for highway purposes.

### COMPREHENSIVE TRANSPORTATION FUND

This fund operates under Section 10(b) of P.A. 51 of 1951, as amended, and accounts for the planning and development of public transportation systems within the State. Federal and local revenues, vehicle-related sales tax, and transfers from the Michigan Transportation Fund provide financing for expenditures. In accordance with statutory provisions, any unencumbered balance at fiscal year-end lapses and reverts to the fund for appropriation in the following year.

### COMBINED STATE TRUNKLINE BOND PROCEEDS FUND

Established pursuant to Section 18(b) of P.A. 51 of 1951, as amended, this fund accounts for the proceeds of State trunkline revenue dedicated bonds. These bonds are used in part to finance the costs of road and bridge construction.

### COMBINED COMPREHENSIVE TRANSPORTATION BOND PROCEEDS FUND

Established pursuant to Section 18(b) of P.A. 51 of 1951, as amended, this fund accounts for the proceeds of comprehensive transportation revenue dedicated bonds. These bonds are used in part to finance the costs of comprehensive transportation projects.

### TRANSPORTATION RELATED TRUST FUNDS

The transportation related trust funds reflects the activities of five sub-funds: the Special Federal Bridge Replacement Fund, the Federal County Road Fund, the Federal Urban Transportation System Fund, the Highway Topics and Safety Program Fund, and the Metropolitan Planning Fund. The Michigan Department of Transportation is recognized as the legal representative of the State, including all governmental subdivisions, in the administration of these programs. The financing accounted for in these funds consists primarily of local and federal matching funds with very little State funds. Financing provided prior to expenditures being incurred is recorded as deferred revenue and revenue is recognized as expenditures are made. As a result, the fund balances of these funds are usually zero.

**Michigan**

**COMBINING BALANCE SHEET**  
**SPECIAL REVENUE FUNDS - TRANSPORTATION RELATED**  
 SEPTEMBER 30, 2003  
 (In Thousands)

	STATE AERONAUTICS FUND	STATE TRUNKLINE FUND	MICHIGAN TRANSPORTATION FUND	COMPREHENSIVE TRANSPORTATION FUND
<b>ASSETS</b>				
Current Assets:				
Cash	\$ -	\$ 51	\$ -	\$ 14
Equity in common cash	14,240	99,155	186,685	56,889
Taxes, interest, and penalties receivable	728	-	116,895	-
Amounts due from other funds	-	518,861	-	11,427
Amounts due from component units	-	1,132	-	-
Amounts due from federal agencies	37,378	77,625	-	8,294
Amounts due from local units	7,523	24,837	-	679
Inventories	-	5,594	-	-
Other current assets	39	8,505	6,892	451
Total Current Assets	59,909	735,759	310,472	77,753
Taxes, interest, and penalties receivable	-	-	1,615	-
Advances to other funds	-	25,984	-	-
Amounts due from local units	648	35,672	-	4,726
Other noncurrent assets	-	3,847	-	2,161
Total Assets	\$ 60,557	\$ 801,262	\$ 312,087	\$ 84,640
<b>LIABILITIES AND FUND BALANCES</b>				
Current Liabilities:				
Warrants outstanding	\$ 1,586	\$ 26,332	\$ 540	\$ 3,720
Accounts payable and other liabilities	32,606	128,782	236,512	11,689
Amounts due to other funds	25	3,308	51,641	40
Deferred revenue	7,760	14,107	21,780	-
Total Current Liabilities	41,977	172,528	310,472	15,449
Long-Term Liabilities:				
Advances from other funds	-	25,984	-	-
Deferred revenue	-	15,785	1,615	2,161
Total Liabilities	41,977	214,297	312,087	17,610
Fund Balances:				
Reserves for:				
Budgetary carry-forwards:				
Encumbrances	1,166	27,048	-	41,127
Restricted revenues	-	233,602	-	8,784
Multi-year projects	11,178	227,379	-	430
Construction and debt service	-	55,247	-	-
Revolving loan programs	2,200	14,472	-	11,182
Noncurrent assets	-	29,217	-	-
Total Reserved	14,544	586,965	-	61,523
Unreserved	4,035	-	-	5,507
Total Fund Balances	18,580	586,965	-	67,030
Total Liabilities and Fund Balances	\$ 60,557	\$ 801,262	\$ 312,087	\$ 84,640

**Michigan**

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COMBINED STATE TRUNKLINE BOND PROCEEDS FUND	COMBINED COMPREHENSIVE TRANSPORTATION BOND PROCEEDS FUND	TRANSPORTATION RELATED TRUST FUNDS	TOTALS
\$ -	\$ -	\$ 85	\$ 151
203,365	106,488	3,669	670,490
-	-	-	117,623
-	-	-	530,288
-	-	-	1,132
7,923	-	33,419	164,639
824	-	17,160	51,023
-	-	-	5,594
28	-	33	15,948
<u>212,140</u>	<u>106,488</u>	<u>54,366</u>	<u>1,556,888</u>
-	-	-	1,615
-	-	-	25,984
-	-	-	41,047
-	-	-	6,008
<u>\$ 212,140</u>	<u>\$ 106,488</u>	<u>\$ 54,366</u>	<u>\$ 1,631,541</u>
\$ 5,782	\$ 163	\$ 9,907	\$ 48,030
14,192	1,516	30,228	455,525
-	-	-	55,013
641	-	14,232	58,519
<u>20,616</u>	<u>1,679</u>	<u>54,366</u>	<u>617,087</u>
-	-	-	25,984
-	-	-	19,561
<u>20,616</u>	<u>1,679</u>	<u>54,366</u>	<u>662,632</u>
-	-	-	69,341
-	-	-	242,386
-	-	-	238,987
-	-	-	55,247
-	-	-	27,854
-	-	-	29,217
-	-	-	663,033
<u>191,524</u>	<u>104,809</u>	<u>-</u>	<u>305,876</u>
<u>191,524</u>	<u>104,809</u>	<u>-</u>	<u>968,909</u>
<u>\$ 212,140</u>	<u>\$ 106,488</u>	<u>\$ 54,366</u>	<u>\$ 1,631,541</u>

**Michigan**

**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**

**SPECIAL REVENUE FUNDS - TRANSPORTATION RELATED**

FISCAL YEAR ENDED SEPTEMBER 30, 2003

(In Thousands)

	STATE AERONAUTICS FUND	STATE TRUNKLINE FUND	MICHIGAN TRANSPORTATION FUND	COMPREHENSIVE TRANSPORTATION FUND
<b>REVENUES</b>				
Taxes	\$ 7,402	\$ -	\$ 1,937,851	\$ 79,440
From federal agencies	75,039	552,141	-	25,523
From local agencies	12,272	28,589	-	30
From services	564	16	-	-
From licenses and permits	293	17,990	56,670	264
Miscellaneous	562	50,593	3,938	4,290
<b>Total Revenues</b>	<b>96,131</b>	<b>649,329</b>	<b>1,998,459</b>	<b>109,548</b>
<b>EXPENDITURES</b>				
Current:				
Transportation	117,086	494,188	936,439	240,946
Capital outlay	-	796,272	-	-
Debt service:				
Capital lease payments	-	160	-	-
<b>Total Expenditures</b>	<b>117,086</b>	<b>1,290,620</b>	<b>936,439</b>	<b>240,946</b>
Excess of Revenues over (under) Expenditures	(20,954)	(641,291)	1,062,020	(131,398)
<b>OTHER FINANCING SOURCES (USES)</b>				
Bonds and notes issued	-	-	-	-
Premium on bond issuance	-	-	-	-
Transfers from other funds	26,228	792,641	1,947	163,729
Transfers to other funds	(605)	(107,432)	(1,063,967)	(21,874)
<b>Total Other Financing Sources (Uses)</b>	<b>25,622</b>	<b>685,209</b>	<b>(1,062,020)</b>	<b>141,855</b>
Excess of Revenues and Other Sources over (under) Expenditures and Other Uses	4,668	43,918	-	10,457
Fund Balances - Beginning of fiscal year	13,912	543,047	-	56,573
Fund Balances - End of fiscal year	<u>\$ 18,580</u>	<u>\$ 586,965</u>	<u>\$ -</u>	<u>\$ 67,030</u>

**Michigan**

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COMBINED STATE TRUNKLINE BOND PROCEEDS FUND	COMBINED COMPREHENSIVE TRANSPORTATION BOND PROCEEDS FUND	TRANSPORTATION RELATED TRUST FUNDS	TOTALS
\$ -	\$ -	\$ -	\$ 2,024,694
22,299	-	191,306	866,308
2,949	-	79,892	123,732
-	-	-	580
-	-	-	75,217
5,551	1,274	125	66,333
<u>30,799</u>	<u>1,274</u>	<u>271,322</u>	<u>3,156,863</u>
1,018	8,973	281,712	2,080,361
239,613	-	-	1,035,886
-	-	-	160
<u>240,632</u>	<u>8,973</u>	<u>281,712</u>	<u>3,116,407</u>
<u>(209,833)</u>	<u>(7,698)</u>	<u>(10,390)</u>	<u>40,457</u>
-	35,020	-	35,020
-	1,362	-	1,362
731	-	10,473	995,749
(9,545)	(14,140)	(83)	(1,217,647)
<u>(8,814)</u>	<u>22,242</u>	<u>10,390</u>	<u>(185,516)</u>
(218,646)	14,543	-	(145,059)
<u>410,171</u>	<u>90,266</u>	<u>-</u>	<u>1,113,968</u>
<u>\$ 191,524</u>	<u>\$ 104,809</u>	<u>\$ -</u>	<u>\$ 968,909</u>

**Michigan**

**COMBINING SCHEDULE OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL -  
SPECIAL REVENUE FUNDS - TRANSPORTATION RELATED**  
FISCAL YEAR ENDED SEPTEMBER 30, 2003  
(In Thousands)

<u>Statutory/Budgetary Basis</u>	<u>STATE AERONAUTICS FUND</u>		
	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u>
<b>REVENUES AND OTHER SOURCES</b>			
Taxes	\$ 7,402	\$ 7,402	\$ -
From federal agencies	75,039	75,039	-
From local agencies	12,272	12,272	-
From services	564	564	-
From licenses and permits	293	293	-
Miscellaneous	562	562	-
Transfers in	26,228	26,228	-
Total Revenues and Other Sources	122,359	122,359	-
<b>EXPENDITURES, TRANSFERS OUT, AND ENCUMBRANCES - BY BRANCH, DEPARTMENT/AGENCY</b>			
Transportation	121,052	118,857	2,194
Total Expenditures, Transfers Out, and Encumbrances	121,052	118,857	2,194
Revenues and Other Sources over (under) Expenditures, Encumbrances, and Other Uses (Statutory/budgetary basis)	\$ 1,308	3,502	\$ 2,194
Reconciling Items:			
Encumbrances at September 30		1,166	
Funds not annually budgeted		-	
Net Reconciling Items		1,166	
Excess of Revenues and Other Sources over (under) Expenditures and Other Uses (GAAP Basis)		4,668	
<b>FUND BALANCES (GAAP BASIS)</b>			
Beginning balances		13,912	
Ending balances (GAAP Basis)		\$ 18,580	

# Michigan

STATE TRUNKLINE FUND			MICHIGAN TRANSPORTATION FUND		
BUDGET	ACTUAL	VARIANCE	BUDGET	ACTUAL	VARIANCE
\$ -	\$ -	\$ -	\$ 1,937,851	\$ 1,937,851	\$ -
552,141	552,141	-	-	-	-
28,589	28,589	-	-	-	-
16	16	-	-	-	-
17,990	17,990	-	56,670	56,670	-
50,593	50,593	-	3,938	3,938	-
792,641	792,641	-	1,947	1,947	-
1,441,970	1,441,970	-	2,000,406	2,000,406	-
1,576,378	1,425,100	151,278	2,018,439	2,000,406	18,033
1,576,378	1,425,100	151,278	2,018,439	2,000,406	18,033
\$ (134,408)	16,870	\$ 151,278	\$ (18,033)	-	\$ 18,033
	27,048			-	
	-			-	
	27,048			-	
	43,918			-	
	543,047			-	
	\$ 586,965			\$ -	

This schedule continued on next page.

**Michigan**

**COMBINING SCHEDULE OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL -  
SPECIAL REVENUE FUNDS - TRANSPORTATION RELATED (Continued)**  
FISCAL YEAR ENDED SEPTEMBER 30, 2003  
(In Thousands)

<u>Statutory/Budgetary Basis</u>	<u>COMPREHENSIVE TRANSPORTATION FUND</u>		
	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u>
<b>REVENUES AND OTHER SOURCES</b>			
Taxes	\$ 79,440	\$ 79,440	\$ -
From federal agencies	25,523	25,523	-
From local agencies	30	30	-
From services	-	-	-
From licenses and permits	264	264	-
Miscellaneous	4,290	4,290	-
Transfers in	163,729	163,729	-
	<u>273,277</u>	<u>273,277</u>	<u>-</u>
Total Revenues and Other Sources			
<b>EXPENDITURES, TRANSFERS OUT, AND ENCUMBRANCES - BY BRANCH, DEPARTMENT/AGENCY</b>			
Transportation	311,019	303,947	7,072
	<u>311,019</u>	<u>303,947</u>	<u>7,072</u>
Total Expenditures, Transfers Out, and Encumbrances			
Revenues and Other Sources over (under) Expenditures, Encumbrances, and Other Uses (Statutory/budgetary basis)	<u>\$ (37,742)</u>	<u>(30,670)</u>	<u>\$ 7,072</u>
Reconciling Items:			
Encumbrances at September 30		41,127	
Funds not annually budgeted		-	
Net Reconciling Items		<u>41,127</u>	
Excess of Revenues and Other Sources over (under) Expenditures and Other Uses (GAAP Basis)		<u>10,457</u>	
<b>FUND BALANCES (GAAP BASIS)</b>			
Beginning balances		<u>56,573</u>	
Ending balances (GAAP Basis)		<u>\$ 67,030</u>	

**Michigan**

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FUNDS NOT ANNUALLY BUDGETED

COMBINED STATE TRUNKLINE BOND PROCEEDS FUND	COMBINED COMPREHENSIVE TRANSPORTATION BOND PROCEEDS FUND	TRANSPORTATION RELATED TRUST FUNDS	TOTALS		
ACTUAL	ACTUAL	ACTUAL	BUDGET	ACTUAL	VARIANCE
\$ -	\$ -	\$ -	\$ 2,024,694	\$ 2,024,694	\$ -
-	-	-	652,702	652,702	-
-	-	-	40,891	40,891	-
-	-	-	580	580	-
-	-	-	75,217	75,217	-
-	-	-	59,384	59,384	-
-	-	-	984,544	984,544	-
-	-	-	3,838,012	3,838,012	-
-	-	-	4,026,888	3,848,310	178,578
-	-	-	4,026,888	3,848,310	178,578
-	-	-	<u>\$ (188,875)</u>	<u>(10,298)</u>	<u>\$ 178,578</u>
-	-	-	-	69,341	-
<u>(218,646)</u>	<u>14,543</u>	<u>-</u>	-	<u>(204,103)</u>	-
<u>(218,646)</u>	<u>14,543</u>	<u>-</u>	-	<u>(134,762)</u>	-
<u>(218,646)</u>	<u>14,543</u>	<u>-</u>	-	<u>(145,059)</u>	-
<u>410,171</u>	<u>90,266</u>	<u>-</u>	-	<u>1,113,968</u>	-
<u>\$ 191,524</u>	<u>\$ 104,809</u>	<u>\$ -</u>	-	<u>\$ 968,909</u>	-

## SPECIAL REVENUE FUNDS – CONSERVATION, ENVIRONMENT, AND RECREATION RELATED

### GAME AND FISH PROTECTION FUND

Established in 1921, this fund currently operates under Part 435 of P.A. 451 of 1994, as amended, and is financed principally by the sale of hunting and fishing licenses. The license fees are set by statute and their purpose is to support the conservation program for preservation and control of fish and wildlife. The fund also receives funding from the Game and Fish Protection Trust Fund. The fund provides financial support for statewide hunting and fishing programs, including resource management, research, enforcement of hunting and fishing laws, and acquisition of lands to be used for hunting and fishing purposes.

### MICHIGAN STATE WATERWAYS FUND

Established in 1947, this fund currently operates under Part 781 of P.A. 451 of 1994, as amended. The fund receives portions of watercraft registration fees and gasoline taxes, some of which are collected by other State agencies and transferred to this fund. The fund provides for improvement of lake harbors and inland waterways; construction, operation, and maintenance of recreational boating facilities; property acquisition; and administration.

In fiscal year 2002-2003, P.A. 746 of 2002, section 1602 required the transfer of \$7.8 million from this fund to the General Fund. Section 1602(3) states that "It is the intent of the legislature that in the future the general fund reimburse the state waterways fund." No receivable is recorded in this fund for this commitment because there is no repayment schedule and the repayment is considered long-term and budgetary in nature.

### MARINE SAFETY FUND

Established in 1967, this fund currently operates under Part 801 of P.A. 451 of 1994, as amended. The fund is financed principally by 49% of watercraft registration fees imposed by this act. The fund provides for water safety education programs, law enforcement, and regulation of watercraft on the waters of this State.

### GAME AND FISH PROTECTION TRUST FUND

This fund was established in 1986 and presently operates under Part 437 of P.A. 451 of 1994, as amended, to restrict certain assets for the purpose of generating interest and earnings for transfer to the Game and Fish Protection Fund. In addition, the Legislature may appropriate up to \$6 million annually for use by the Game and Fish Protection Fund. Mineral royalties from lands acquired by the Game and Fish Protection Fund; direct sale proceeds; and other revenues, which, by statute, are retained for permanent investment, provide additional investment funding.

### STATE PARK IMPROVEMENT FUND

Established in 1960, this fund currently operates under Part 741 of P.A. 451 of 1994, as amended. The fund is primarily financed by State park use and concession fees and motor vehicle permit fees necessary for entry by motor vehicles into designated State parks. These fees are the primary funding source for the operation, maintenance, debt service, and improvements of the State Park system. Revenues of this fund are pledged as necessary for repayment of State Park Gross Revenue Bonds.

### COMBINED RECREATION BOND FUND - LOCAL PROJECTS

Established in 1988, this fund presently operates under Parts 196 and 715 of P.A. 451 of 1994, as amended. The residual balances in this fund reflect proceeds and investment earnings remaining from two 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, and \$50 million of general obligation bonds approved by voters in November of 1998, as part of a \$675 million bond package known as the "Clean Michigan Initiative." Proceeds from the 1988 bond package provide grants and loans to local units of government in the amounts of \$65 million for local recreation projects and \$5 million to discourage development of open space and underdeveloped lands. Proceeds from the 1998 bond package also provide grants to local units of government for local recreation projects pursuant to Part 716 of P.A. 451 of 1994.

### COMBINED ENVIRONMENTAL PROTECTION BOND FUND

Established by P.A. 328 of 1988, this fund accounts for the proceeds of \$660 million of general obligation bonds approved by Michigan voters in November 1988 to finance environmental protection programs. This approval was obtained under the general authority of Article 9, Section 15, of the 1963 State Constitution. Public Act 328 of 1988 specifies that not more than \$425 million of the bond proceeds be available to clean up sites of toxic and other environmental contamination; not more than \$150 million be available for solid waste projects; not more than \$60 million be available to capitalize the State Water Pollution Control Loan Fund; and not more than \$25 million be available to fund Michigan's participation in a regional Great Lakes Protection Fund.

Public Act 284 of 1998 expanded this fund to account for the proceeds of \$570 million of general obligation bonds approved by Michigan voters in November 1998. Public Act 288 of 1998 directs that not more than \$335 million be used for environmental response activities; not more than \$50 million for waterfront improvements; not more than \$25 million for remediation of contaminated lake and river sediments; not more than \$50 million for nonpoint source pollution prevention and control projects or wellhead protection projects; not more than \$90 million for water quality monitoring and water resources protection and pollution control activities; and not more than \$20 million for pollution prevention programs.

#### MICHIGAN NONGAME FISH AND WILDLIFE FUND

Established in 1983, the fund currently operates under Part 439 of P.A. 451 of 1994, as amended. Fund revenues are used to finance research and management of nongame fish and wildlife, designated endangered species, and designated plant species of this State. The fund may receive transfers from other funds, donations, investment income, and revenue from specialty license plate sales.

#### FOREST DEVELOPMENT FUND

This fund was established in 1993, along with the Michigan Forest Finance Authority, and presently operates under Part 505 of P.A. 451 of 1994, as amended. The Authority is authorized to acquire standing timber, timber cutting rights, and the State's interest in contracts granting cutting rights on State tax reverted lands and on other lands in the State forest system. Revenues are derived from the sale of forest products, and are pledged to provide debt service on any bonds or notes that might be issued by the Authority. Revenues not used for debt service are major funding sources for the Forest Management Division and are used for forest management operations and practices. The Authority may, but thus far has not, issued bonds.

#### MICHIGAN UNDERGROUND STORAGE TANK FINANCIAL ASSURANCE FUND

The Michigan Underground Storage Tank Financial Assurance Fund (MUSTFA) was established in P.A. 518 of 1988 to assist certain owners and operators of underground storage tank systems in meeting their financial responsibility requirements provided for in the Solid Waste Disposal Act. The Department of Environmental Quality and an eleven-member advisory board administer the fund.

The primary source of revenues is an environmental protection regulatory fee of 7/8 cent per gallon imposed on all refined petroleum products sold for resale. Expenditures are primarily amounts spent to assist in environmental cleanup. Public Acts 252 and 269 of 1995 limit the fund's liability to claims received by June 29, 1995. The State's liability for environmental cleanup claims is further limited by law to the amount of available resources.

#### BOTTLE DEPOSITS FUND

This fund was created in P.A. 384 of 1996 to provide for the disposition of unredeemed bottle deposits. The Department of Treasury and the Department of Environmental Quality jointly administer the fund. The law mandates that an annual distribution of the funds be made as follows: 25% returned to the dealers and 75% to fund several sub-funds.

The 75% distribution to the Department of Environmental Quality is initially deposited into the Cleanup and Redevelopment Trust Sub-Fund (CRTF), and if not further distributed, remains there until the principal amount reaches \$200 million. Of funds received annually by the CRTF, 80% is allocated to the Cleanup and Redevelopment Sub-Fund (CRF) and 10% to the Community Pollution Prevention Sub-Fund (CPPF).

Public Act 380 of 1996 moved the former Environmental Response Fund (ERF) to a sub-fund of the CRF. The law mandates that proceeds of all cost recovery actions taken and settlements entered into pursuant to the ERF (excluding natural resource damages) by the department or the Attorney General, or both, shall be credited to the ERF.

**Michigan**

**COMBINING BALANCE SHEET  
SPECIAL REVENUE FUNDS - CONSERVATION, ENVIRONMENT, AND RECREATION RELATED**

SEPTEMBER 30, 2003

(In Thousands)

	GAME AND FISH PROTECTION FUND	MICHIGAN STATE WATERWAYS FUND	MARINE SAFETY FUND	GAME AND FISH PROTECTION TRUST FUND	STATE PARK IMPROVEMENT FUND
<b>ASSETS</b>					
Current Assets:					
Cash	\$ 1	\$ -	\$ -	\$ -	\$ 20
Equity in common cash	32,585	46,449	2,854	29,072	11,261
Taxes, interest, and penalties receivable	-	276	-	-	-
Amounts due from other funds	-	-	-	-	-
Amounts due from federal agencies	265	3,198	462	-	-
Amounts due from local units	-	-	-	-	-
Inventories	-	114	-	-	-
Securities lending collateral	-	-	-	11,190	-
Other current assets	4,630	22	-	1,530	525
<b>Total Current Assets</b>	<b>37,481</b>	<b>50,060</b>	<b>3,317</b>	<b>41,791</b>	<b>11,806</b>
Taxes, interest, and penalties receivable	-	34	-	-	-
Amounts due from local units	-	-	-	-	-
Investments	756	-	-	64,780	-
Other noncurrent assets	-	-	-	-	-
<b>Total Assets</b>	<b>\$ 38,237</b>	<b>\$ 50,093</b>	<b>\$ 3,317</b>	<b>\$ 106,571</b>	<b>\$ 11,806</b>
<b>LIABILITIES AND FUND BALANCES</b>					
Current Liabilities:					
Warrants outstanding	\$ 362	\$ 570	\$ 33	\$ -	\$ 57
Obligations under security lending	-	-	-	11,190	-
Accounts payable and other liabilities	2,982	1,673	2,419	14	1,565
Amounts due to other funds	264	55	6	-	148
Deferred revenue	-	-	-	-	720
<b>Total Current Liabilities</b>	<b>3,608</b>	<b>2,298</b>	<b>2,459</b>	<b>11,203</b>	<b>2,490</b>
Long-Term Liabilities:					
Deferred revenue	-	34	-	-	-
<b>Total Liabilities</b>	<b>3,608</b>	<b>2,332</b>	<b>2,459</b>	<b>11,203</b>	<b>2,490</b>
Fund Balances:					
Reserves for:					
Budgetary Carry-Forwards:					
Encumbrances	2,666	18,741	41	-	4,302
Restricted revenues	12,329	4	-	-	300
Multi-year projects	5,000	26,885	-	-	288
Revolving loan programs	-	-	-	-	-
Funds held as permanent investments	1,849	-	-	89,368	-
<b>Total Reserved</b>	<b>21,844</b>	<b>45,630</b>	<b>41</b>	<b>89,368</b>	<b>4,890</b>
Unreserved	12,785	2,131	818	6,000	4,425
<b>Total Fund Balances</b>	<b>34,629</b>	<b>47,761</b>	<b>859</b>	<b>95,368</b>	<b>9,316</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 38,237</b>	<b>\$ 50,093</b>	<b>\$ 3,317</b>	<b>\$ 106,571</b>	<b>\$ 11,806</b>

**Michigan**

COMBINED RECREATION BOND FUND- LOCAL PROJECTS	COMBINED ENVIRONMENTAL PROTECTION BOND FUND	MICHIGAN NONGAME FISH AND WILDLIFE FUND	FOREST DEVELOPMENT FUND	MICHIGAN UNDERGROUND STORAGE TANK FINANCIAL ASSURANCE FUND	BOTTLE DEPOSITS FUND	<b>TOTALS</b>
\$ -	\$ -	\$ -	\$ 56	\$ -	\$ -	\$ 77
14,678	75,516	566	8,803	582	120,281	342,646
-	-	-	-	5,539	-	5,815
-	-	-	-	1,500	-	1,500
-	-	-	383	-	-	4,308
-	1,389	-	-	-	174	1,563
-	-	-	-	-	-	114
-	-	-	-	-	-	11,190
-	6	59	42	1	3,925	10,741
<u>14,678</u>	<u>76,911</u>	<u>626</u>	<u>9,284</u>	<u>7,622</u>	<u>124,380</u>	<u>377,954</u>
-	-	-	-	113	-	146
-	-	-	-	-	4,057	4,057
-	-	5,986	-	-	-	71,523
-	-	-	-	-	459	459
<u>\$ 14,678</u>	<u>\$ 76,911</u>	<u>\$ 6,612</u>	<u>\$ 9,284</u>	<u>\$ 7,735</u>	<u>\$ 128,895</u>	<u>\$ 454,139</u>
\$ 564	\$ 473	\$ 5	\$ 119	\$ 7	\$ 111	\$ 2,300
-	-	-	-	-	-	11,190
7,772	27,935	99	1,893	138	6,837	53,326
1	13	1	81	4,552	58	5,180
-	-	-	-	1,002	131	1,853
<u>8,337</u>	<u>28,420</u>	<u>106</u>	<u>2,093</u>	<u>5,698</u>	<u>7,137</u>	<u>73,849</u>
-	-	-	-	113	459	605
<u>8,337</u>	<u>28,420</u>	<u>106</u>	<u>2,093</u>	<u>5,811</u>	<u>7,596</u>	<u>74,454</u>
-	-	27	1,172	1	3,440	30,389
-	-	-	-	1,409	85,676	99,719
-	-	-	505	200	7,218	40,097
-	-	-	-	-	5,484	5,484
-	-	6,077	-	-	19,481	116,775
-	-	6,104	1,677	1,610	121,300	292,464
<u>6,341</u>	<u>48,490</u>	<u>402</u>	<u>5,514</u>	<u>314</u>	<u>-</u>	<u>87,221</u>
<u>6,341</u>	<u>48,490</u>	<u>6,507</u>	<u>7,191</u>	<u>1,923</u>	<u>121,300</u>	<u>379,685</u>
<u>\$ 14,678</u>	<u>\$ 76,911</u>	<u>\$ 6,612</u>	<u>\$ 9,284</u>	<u>\$ 7,735</u>	<u>\$ 128,895</u>	<u>\$ 454,139</u>

**Michigan**

**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
SPECIAL REVENUE FUNDS - CONSERVATION, ENVIRONMENT, AND RECREATION RELATED  
FISCAL YEAR ENDED SEPTEMBER 30, 2003  
(In Thousands)**

	GAME AND FISH PROTECTION FUND	MICHIGAN STATE WATERWAYS FUND	MARINE SAFETY FUND	GAME AND FISH PROTECTION TRUST FUND	STATE PARK IMPROVEMENT FUND
<b>REVENUES</b>					
Taxes	\$ -	\$ 373	\$ -	\$ -	\$ -
From federal agencies	1,653	4,198	553	-	-
From licenses and permits	48,738	6,591	4,689	-	31,252
Miscellaneous	1,903	1,744	329	11,438	220
<b>Total Revenues</b>	<b>52,294</b>	<b>12,906</b>	<b>5,572</b>	<b>11,438</b>	<b>31,472</b>
<b>EXPENDITURES</b>					
Current:					
General government	-	-	-	290	-
Conservation, environment, recreation, and agriculture	55,989	26,431	4,779	-	29,616
Health services	-	-	-	-	-
Capital outlay	4,788	4,378	-	-	1,824
<b>Total Expenditures</b>	<b>60,777</b>	<b>30,809</b>	<b>4,779</b>	<b>290</b>	<b>31,440</b>
Excess of Revenues over (under) Expenditures	(8,484)	(17,903)	792	11,148	32
<b>OTHER FINANCING SOURCES (USES)</b>					
Bonds and notes issued	-	-	-	-	-
Premium on bond issuance	-	-	-	-	-
Transfers from other funds	13,132	14,807	-	-	-
Transfers to other funds	(1,645)	(8,221)	(1,134)	(10,686)	(1,623)
<b>Total Other Financing Sources (Uses)</b>	<b>11,487</b>	<b>6,586</b>	<b>(1,134)</b>	<b>(10,686)</b>	<b>(1,623)</b>
Excess of Revenues and Other Sources over (under) Expenditures and Other Uses	3,004	(11,317)	(341)	462	(1,591)
Fund Balances - Beginning of fiscal year	31,626	59,079	1,200	94,906	10,907
<b>Fund Balances - End of fiscal year</b>	<b>\$ 34,629</b>	<b>\$ 47,761</b>	<b>\$ 859</b>	<b>\$ 95,368</b>	<b>\$ 9,316</b>

**Michigan**

COMBINED RECREATION BOND FUND- LOCAL PROJECTS	COMBINED ENVIRONMENTAL PROTECTION BOND FUND	MICHIGAN NONGAME FISH AND WILDLIFE FUND	FOREST DEVELOPMENT FUND	MICHIGAN UNDERGROUND STORAGE TANK FINANCIAL ASSURANCE FUND	BOTTLE DEPOSITS FUND	TOTALS
\$ -	\$ -	\$ -	\$ -	\$ 57,720	\$ -	\$ 58,093
-	-	-	32	-	-	6,437
-	-	-	1	-	-	91,270
62	2,421	506	20,869	12	27,626	67,130
<u>62</u>	<u>2,421</u>	<u>506</u>	<u>20,903</u>	<u>57,732</u>	<u>27,626</u>	<u>222,930</u>
-	1,008	-	-	223	-	1,521
9,718	65,031	555	22,195	3,837	30,951	249,101
-	1,318	-	-	-	-	1,318
-	-	-	159	-	-	11,149
<u>9,718</u>	<u>67,357</u>	<u>555</u>	<u>22,354</u>	<u>4,059</u>	<u>30,951</u>	<u>263,088</u>
<u>(9,656)</u>	<u>(64,936)</u>	<u>(49)</u>	<u>(1,451)</u>	<u>53,673</u>	<u>(3,325)</u>	<u>(40,158)</u>
16,408	172,390	-	-	-	-	188,799
896	9,413	-	-	-	-	10,308
-	-	-	-	3,500	-	31,439
(903)	(19)	(4)	(144)	(57,943)	(29,219)	(111,541)
<u>16,401</u>	<u>181,784</u>	<u>(4)</u>	<u>(144)</u>	<u>(54,443)</u>	<u>(29,219)</u>	<u>119,006</u>
6,745	116,848	(53)	(1,594)	(770)	(32,544)	78,848
<u>(404)</u>	<u>(68,357)</u>	<u>6,559</u>	<u>8,785</u>	<u>2,694</u>	<u>153,843</u>	<u>300,837</u>
<u>\$ 6,341</u>	<u>\$ 48,490</u>	<u>\$ 6,507</u>	<u>\$ 7,191</u>	<u>\$ 1,923</u>	<u>\$ 121,300</u>	<u>\$ 379,685</u>

**Michigan**

**COMBINING SCHEDULE OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL -  
SPECIAL REVENUE FUNDS - CONSERVATION, ENVIRONMENT, AND RECREATION RELATED  
FISCAL YEAR ENDED SEPTEMBER 30, 2003  
(In Thousands)**

Statutory/Budgetary Basis	GAME AND FISH PROTECTION FUND			MICHIGAN STATE WATERWAYS FUND		
	BUDGET	ACTUAL	VARIANCE	BUDGET	ACTUAL	VARIANCE
<b>REVENUES AND OTHER SOURCES</b>						
Taxes	\$ -	\$ -	\$ -	\$ 373	\$ 373	\$ -
From federal agencies	1,653	1,653	-	4,198	4,198	-
From licenses and permits	48,738	48,738	-	6,591	6,591	-
Miscellaneous	1,903	1,903	-	1,744	1,744	-
Transfers in	13,132	13,132	-	14,807	14,807	-
Total Revenues and Other Sources	<u>65,426</u>	<u>65,426</u>	<u>-</u>	<u>27,713</u>	<u>27,713</u>	<u>-</u>
<b>EXPENDITURES, TRANSFERS OUT, AND ENCUMBRANCES - BY BRANCH, DEPARTMENT/AGENCY</b>						
Natural Resources	<u>69,421</u>	<u>65,087</u>	<u>4,333</u>	<u>58,847</u>	<u>57,771</u>	<u>1,076</u>
Total Expenditures, Transfers Out and Encumbrances	<u>69,421</u>	<u>65,087</u>	<u>4,333</u>	<u>58,847</u>	<u>57,771</u>	<u>1,076</u>
Revenues and Other Sources over (under) Expenditures, Encumbrances, and Other Uses (Statutory/budgetary basis)	<u>\$ (3,995)</u>	<u>338</u>	<u>\$ 4,333</u>	<u>\$ (31,134)</u>	<u>(30,058)</u>	<u>\$ 1,076</u>
Reconciling Items:						
Encumbrances at September 30		2,666			18,741	
Funds not annually budgeted		-			-	
Net Reconciling Items		<u>2,666</u>			<u>18,741</u>	
Excess of Revenues and Other Sources over (under) Expenditures and Other Uses (GAAP Basis)		<u>3,004</u>			<u>(11,317)</u>	
<b>FUND BALANCES (GAAP BASIS)</b>						
Beginning balances		<u>31,626</u>			<u>59,079</u>	
Ending balances (GAAP Basis)		<u>\$ 34,629</u>			<u>\$ 47,761</u>	

**Michigan**

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MARINE SAFETY FUND			STATE PARK IMPROVEMENT FUND		
BUDGET	ACTUAL	VARIANCE	BUDGET	ACTUAL	VARIANCE
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
553	553	-	-	-	-
4,689	4,689	-	31,252	31,252	-
329	329	-	220	220	-
-	-	-	-	-	-
5,572	5,572	-	31,472	31,472	-
6,269	5,954	315	37,642	37,365	277
6,269	5,954	315	37,642	37,365	277
\$ (697)	(382)	\$ 315	\$ (6,170)	(5,893)	\$ 277
	41			4,302	
	-			-	
	41			4,302	
	(341)			(1,591)	
	1,200			10,907	
	\$ 859			\$ 9,316	

This schedule continued on next page.

**Michigan**

**COMBINING SCHEDULE OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL -  
SPECIAL REVENUE FUNDS - CONSERVATION, ENVIRONMENT, AND RECREATION RELATED (Continued)**  
FISCAL YEAR ENDED SEPTEMBER 30, 2003  
(In Thousands)

<u>Statutory/Budgetary Basis</u>	MICHIGAN NONGAME FISH AND WILDLIFE FUND			FOREST DEVELOPMENT FUND		
	BUDGET	ACTUAL	VARIANCE	BUDGET	ACTUAL	VARIANCE
<b>REVENUES AND OTHER SOURCES</b>						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
From federal agencies	-	-	-	32	32	-
From licenses and permits	-	-	-	1	1	-
Miscellaneous	506	506	-	20,869	20,869	-
Transfers in	-	-	-	-	-	-
Total Revenues and Other Sources	506	506	-	20,903	20,903	-
<b>EXPENDITURES, TRANSFERS OUT, AND ENCUMBRANCES - BY BRANCH, DEPARTMENT/AGENCY</b>						
Natural Resources	682	587	95	26,508	23,669	2,839
Total Expenditures, Transfers Out and Encumbrances	682	587	95	26,508	23,669	2,839
Revenues and Other Sources over (under) Expenditures, Encumbrances, and Other Uses (Statutory/budgetary basis)	\$ (176)	(80)	\$ 95	\$ (5,605)	(2,766)	\$ 2,839
Reconciling Items:						
Encumbrances at September 30		27			1,172	
Funds not annually budgeted		-			-	
Net Reconciling Items		27			1,172	
Excess of Revenues and Other Sources over (under) Expenditures and Other Uses (GAAP Basis)		(53)			(1,594)	
<b>FUND BALANCES (GAAP BASIS)</b>						
Beginning balances		6,559			8,785	
Ending balances (GAAP Basis)		\$ 6,507			\$ 7,191	

**Michigan**

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FUNDS NOT ANNUALLY BUDGETED

GAME AND FISH PROTECTION TRUST FUND	COMBINED RECREATION BOND FUND- LOCAL PROJECTS	COMBINED ENVIRONMENTAL PROTECTION BOND FUND	MICHIGAN UNDERGROUND STORAGE TANK FINANCIAL ASSURANCE FUND	BOTTLE DEPOSITS FUND	TOTALS		
					BUDGET	ACTUAL	VARIANCE
ACTUAL	ACTUAL	ACTUAL	ACTUAL	ACTUAL			
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 373	\$ 373	\$ -
-	-	-	-	-	6,437	6,437	-
-	-	-	-	-	91,270	91,270	-
-	-	-	-	-	25,572	25,572	-
-	-	-	-	-	27,939	27,939	-
-	-	-	-	-	151,591	151,591	-
-	-	-	-	-	199,368	190,433	8,936
-	-	-	-	-	199,368	190,433	8,936
-	-	-	-	-	<u>\$ (47,777)</u>	<u>(38,841)</u>	<u>\$ 8,936</u>
-	-	-	-	-		26,948	
462	6,745	116,848	(770)	(32,544)		90,740	
462	6,745	116,848	(770)	(32,544)		117,689	
462	6,745	116,848	(770)	(32,544)		78,848	
94,906	(404)	(68,357)	2,694	153,843		300,837	
<u>\$ 95,368</u>	<u>\$ 6,341</u>	<u>\$ 48,490</u>	<u>\$ 1,923</u>	<u>\$ 121,300</u>		<u>\$ 379,685</u>	



## SPECIAL REVENUE FUNDS – REGULATORY AND ADMINISTRATIVE RELATED

### MICHIGAN EMPLOYMENT SECURITY ACT - ADMINISTRATION FUND

Public Act 1 of 1936 (Extra Session) created this fund to account for administrative costs of the Bureau of Worker's and Unemployment Compensation, which is administered by the Department of Consumer and Industry Services. The fund derives most of its revenue from federal grants. It also receives transfers from the Michigan Employment Security Act Contingent Fund (reported as part of the Michigan Unemployment Compensation Funds, an enterprise fund). Expenditures for administration are subject to legislative appropriation.

Unemployment benefit payments to individuals are made directly from funds accumulated from employer premiums. These activities are reported in the Michigan Unemployment Compensation Funds.

### SAFETY EDUCATION AND TRAINING FUND

Public Act 154 of 1974, as amended, imposes an annual levy on each insurance carrier licensed to write workers' disability compensation business in the State and on each self-insured employer. Public Act 24 of 1977 established the Safety Education and Training Fund to receive these assessments for support of the Department of Consumer and Industry Service's Safety Education and Training Division.

### STATE CONSTRUCTION CODE FUND

Public Act 230 of 1972, as amended, created the State Construction Code Fund. Fees received for building permit applications and other funds collected under this act are appropriated by the Legislature for the operation of the Department of Consumer and Industry Service's Bureau of Construction Codes and related indirect overhead expenditures.

### HOMEOWNER CONSTRUCTION LIEN RECOVERY FUND

Established by P.A. 497 of 1980, the Homeowner Construction Lien Recovery Fund allows contractors, subcontractors, suppliers, and laborers to collect payments for work done if they have not been paid, despite filing a residential lien. The fund is self-sustaining and is financed by fees assessed on builders, electrical and plumbing contractors, and laborers.

### STATE CASINO GAMING FUND

Created by P.A. 69 of 1997, this fund provides the licensing, regulation, and control of casino gaming activities in Michigan. The five-member gaming control board is vested with the authority for licensing, regulating, and controlling casino gaming operations; manufacturers and distributors of gaming equipment and supplies; and persons who participate in gaming. Activities financed by casino gaming revenue are legally restricted for specific purposes.

### SECOND INJURY FUND

Public Act 317 of 1969, as amended, created the Second Injury Fund to insure carriers and self-insured employers against certain workers' compensation losses. The administrator, appointed by the fund's Board of Trustees, supervises the fund. The fund's revenue consists of assessments, calculated under provisions of the act, which are assessed to insurance carriers and self-insured employers licensed or authorized in Michigan.

### SILICOSIS, DUST DISEASE, AND LOGGING INDUSTRY COMPENSATION FUND

Established by P.A. 317 of 1969, as amended, the Silicosis, Dust Disease, and Logging Industry Compensation Fund reimburses insurance carriers who pay benefits to employees injured from certain dust diseases, and employees who have sustained personal injury or death while being employed in the logging industry. Revenues are generated through annual assessments of insurance carriers.

### SELF-INSURERS' SECURITY FUND

Established by P.A. 317 of 1969, as amended, the Self-Insurers' Security Fund pays workers' compensation benefits to injured employees of insolvent, private self-insured employers. Revenues are generated through annual assessments of insurance carriers.

Funds held in trust per court orders to pay obligations due under the Michigan Workers' Disability Compensation Act are reported as liabilities of this fund.

### UTILITY CONSUMER REPRESENTATION FUND

Established by P.A. 304 of 1982, as amended, the Utility Consumer Representation Fund provides funding, on behalf of residential gas, fuel, and electric customers, for energy cost recovery hearings before the Michigan Public Service Commission. Revenues are generated through annual assessments of regulated utility companies.

**Michigan**

**COMBINING BALANCE SHEET**

**SPECIAL REVENUE FUNDS - REGULATORY AND ADMINISTRATIVE RELATED**

SEPTEMBER 30, 2003

(In Thousands)

	MICHIGAN EMPLOYMENT SECURITY ACT - ADMINISTRATION FUND	SAFETY EDUCATION AND TRAINING FUND	STATE CONSTRUCTION CODE FUND	HOMEOWNER CONSTRUCTION LIEN RECOVERY FUND
<b>ASSETS</b>	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>
Current Assets:				
Equity in common cash	\$ -	\$ 5,072	\$ 9,754	\$ 1,082
Amounts due from other funds	7,026	-	-	-
Amounts due from federal agencies	11,364	-	-	-
Other current assets	70	2	117	-
Total Current Assets	<u>18,459</u>	<u>5,074</u>	<u>9,871</u>	<u>1,082</u>
 Total Assets	<u>\$ 18,459</u>	<u>\$ 5,074</u>	<u>\$ 9,871</u>	<u>\$ 1,082</u>
 <b>LIABILITIES AND FUND BALANCES</b>				
Current Liabilities:				
Warrants outstanding	\$ 247	\$ 28	\$ 19	\$ 71
Accounts payable and other liabilities	5,416	165	275	29
Amounts due to other funds	12,796	21	41	1
Deferred revenue	-	-	-	-
Total Current Liabilities	<u>18,459</u>	<u>213</u>	<u>334</u>	<u>101</u>
 Total Liabilities	<u>18,459</u>	<u>213</u>	<u>334</u>	<u>101</u>
 Fund Balances:				
Reserves for:				
Budgetary carry-forwards:				
Encumbrances	-	432	89	-
Restricted revenues	-	-	-	-
Total Reserved	<u>-</u>	<u>432</u>	<u>89</u>	<u>-</u>
Unreserved	<u>-</u>	<u>4,429</u>	<u>9,447</u>	<u>981</u>
Total Fund Balances	<u>-</u>	<u>4,861</u>	<u>9,536</u>	<u>981</u>
 Total Liabilities and Fund Balances	<u>\$ 18,459</u>	<u>\$ 5,074</u>	<u>\$ 9,871</u>	<u>\$ 1,082</u>

**Michigan**

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STATE CASINO GAMING FUND	SECOND INJURY FUND	SILICOSIS, DUST DISEASE, AND LOGGING INDUSTRY COMPENSATION FUND	SELF-INSURERS' SECURITY FUND	UTILITY CONSUMER REPRESENTATION FUND	<b>TOTALS</b>
\$ 9,116	\$ 15,363	\$ 5,392	\$ 14,840	\$ 2,811	\$ 63,430
-	12,362	-	-	-	19,387
-	-	-	-	-	11,364
109	357	76	271	270	1,272
<u>9,225</u>	<u>28,083</u>	<u>5,468</u>	<u>15,111</u>	<u>3,081</u>	<u>95,453</u>
<u>\$ 9,225</u>	<u>\$ 28,083</u>	<u>\$ 5,468</u>	<u>\$ 15,111</u>	<u>\$ 3,081</u>	<u>\$ 95,453</u>
\$ 2	\$ 177	\$ 41	\$ 43	\$ 13	\$ 640
472	2,178	899	7,837	104	17,375
34	7	3	2	3	12,906
71	6,237	1,342	2,112	-	9,761
<u>579</u>	<u>8,598</u>	<u>2,285</u>	<u>9,994</u>	<u>120</u>	<u>40,683</u>
579	8,598	2,285	9,994	120	40,683
116	-	-	-	-	637
7,921	-	-	-	-	7,921
<u>8,037</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>8,558</u>
609	19,484	3,183	5,117	2,962	46,212
<u>8,646</u>	<u>19,484</u>	<u>3,183</u>	<u>5,117</u>	<u>2,962</u>	<u>54,770</u>
<u>\$ 9,225</u>	<u>\$ 28,083</u>	<u>\$ 5,468</u>	<u>\$ 15,111</u>	<u>\$ 3,081</u>	<u>\$ 95,453</u>

**Michigan**

**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**SPECIAL REVENUE FUNDS - REGULATORY AND ADMINISTRATIVE RELATED**  
 FISCAL YEAR ENDED SEPTEMBER 30, 2003  
 (In Thousands)

	<u>MICHIGAN EMPLOYMENT SECURITY ACT - ADMINISTRATION FUND</u>	<u>SAFETY EDUCATION AND TRAINING FUND</u>	<u>STATE CONSTRUCTION CODE FUND</u>	<u>HOMEOWNER CONSTRUCTION LIEN RECOVERY FUND</u>
<b>REVENUES</b>				
From federal agencies	\$ 111,445	\$ -	\$ -	\$ -
From services	-	-	1	-
From licenses and permits	-	-	7,845	-
Miscellaneous	98	7,374	159	351
	<u>111,542</u>	<u>7,374</u>	<u>8,004</u>	<u>351</u>
Total Revenues	<u>111,542</u>	<u>7,374</u>	<u>8,004</u>	<u>351</u>
<b>EXPENDITURES</b>				
Current:				
General government	-	-	-	-
Labor, commerce, and regulatory	137,871	6,397	10,635	1,281
Debt Service:				
Capital lease payments	896	-	-	-
	<u>138,767</u>	<u>6,397</u>	<u>10,635</u>	<u>1,281</u>
Total Expenditures	<u>138,767</u>	<u>6,397</u>	<u>10,635</u>	<u>1,281</u>
Excess of Revenues over (under) Expenditures	<u>(27,224)</u>	<u>977</u>	<u>(2,631)</u>	<u>(930)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers from other funds	29,472	-	-	-
Transfers to other funds	(2,247)	(46)	(94)	(14)
	<u>27,224</u>	<u>(46)</u>	<u>(94)</u>	<u>(14)</u>
Total Other Financing Sources (Uses)	<u>27,224</u>	<u>(46)</u>	<u>(94)</u>	<u>(14)</u>
Excess of Revenues and Other Sources over (under) Expenditures and Other Uses	-	931	(2,725)	(944)
Fund Balances - Beginning of fiscal year	<u>-</u>	<u>3,930</u>	<u>12,262</u>	<u>1,926</u>
Fund Balances - End of fiscal year	<u>\$ -</u>	<u>\$ 4,861</u>	<u>\$ 9,536</u>	<u>\$ 981</u>

**Michigan**

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STATE CASINO GAMING FUND	SECOND INJURY FUND	SILICOSIS, DUST DISEASE, AND LOGGING INDUSTRY COMPENSATION FUND	SELF-INSURERS' SECURITY FUND	UTILITY CONSUMER REPRESENTATION FUND	<b>TOTALS</b>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 111,445
1	-	-	-	-	2
597	-	-	-	-	8,442
<u>28,061</u>	<u>21,312</u>	<u>4,740</u>	<u>8,265</u>	<u>1,017</u>	<u>71,377</u>
<u>28,659</u>	<u>21,312</u>	<u>4,740</u>	<u>8,265</u>	<u>1,017</u>	<u>191,265</u>
15,149	-	-	-	404	15,553
-	16,750	3,117	9,239	364	185,654
-	-	-	-	-	896
<u>15,149</u>	<u>16,750</u>	<u>3,117</u>	<u>9,239</u>	<u>768</u>	<u>202,103</u>
<u>13,510</u>	<u>4,562</u>	<u>1,622</u>	<u>(974)</u>	<u>250</u>	<u>(10,838)</u>
-	-	-	821	-	30,292
<u>(9,156)</u>	<u>(17)</u>	<u>(7)</u>	<u>(6)</u>	<u>(2)</u>	<u>(11,591)</u>
<u>(9,156)</u>	<u>(17)</u>	<u>(7)</u>	<u>814</u>	<u>(2)</u>	<u>18,701</u>
4,354	4,545	1,615	(160)	248	7,863
<u>4,292</u>	<u>14,940</u>	<u>1,567</u>	<u>5,277</u>	<u>2,714</u>	<u>46,907</u>
<u>\$ 8,646</u>	<u>\$ 19,484</u>	<u>\$ 3,183</u>	<u>\$ 5,117</u>	<u>\$ 2,962</u>	<u>\$ 54,770</u>

**Michigan**

**COMBINING SCHEDULE OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL -  
SPECIAL REVENUE FUNDS - REGULATORY AND ADMINISTRATIVE RELATED  
FISCAL YEAR ENDED SEPTEMBER 30, 2003  
(In Thousands)**

Statutory/Budgetary Basis	MICHIGAN EMPLOYMENT SECURITY ACT - ADMINISTRATION FUND			SAFETY EDUCATION AND TRAINING FUND		
	BUDGET	ACTUAL	VARIANCE	BUDGET	ACTUAL	VARIANCE
<b>REVENUES AND OTHER SOURCES</b>						
From federal agencies	\$ 111,445	\$ 111,445	\$ -	\$ -	\$ -	\$ -
From services	-	-	-	-	-	-
From licenses and permits	-	-	-	-	-	-
Miscellaneous	98	98	-	7,374	7,374	-
Transfers in	29,472	29,472	-	-	-	-
<b>Total Revenues and Other Sources</b>	<b>141,014</b>	<b>141,014</b>	<b>-</b>	<b>7,374</b>	<b>7,374</b>	<b>-</b>
<b>EXPENDITURES, TRANSFERS OUT, AND ENCUMBRANCES - BY BRANCH, DEPARTMENT/AGENCY</b>						
Consumer and Industry Services	141,014	141,014	-	7,723	6,875	848
Treasury	-	-	-	-	-	-
<b>Total Expenditures, Transfers Out, and Encumbrances</b>	<b>141,014</b>	<b>141,014</b>	<b>-</b>	<b>7,723</b>	<b>6,875</b>	<b>848</b>
Revenues and Other Sources over (under) Expenditures, Encumbrances, and Other Uses (Statutory/budgetary basis)	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>	<u>\$ (349)</u>	<u>499</u>	<u>\$ 848</u>
Reconciling Items:						
Encumbrances at September 30		-			432	
Funds not annually budgeted		-			-	
<b>Net Reconciling Items</b>		<u>-</u>			<u>432</u>	
Excess of Revenues and Other Sources over (under) Expenditures and Other Uses (GAAP Basis)		<u>-</u>			<u>931</u>	
<b>FUND BALANCES (GAAP BASIS)</b>						
Beginning balances		<u>-</u>			<u>3,930</u>	
Ending balances (GAAP Basis)		<u>\$ -</u>			<u>\$ 4,861</u>	

**Michigan**

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STATE CONSTRUCTION CODE FUND			HOMEOWNER CONSTRUCTION LIEN RECOVERY FUND		
BUDGET	ACTUAL	VARIANCE	BUDGET	ACTUAL	VARIANCE
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
1	1	-	-	-	-
7,845	7,845	-	-	-	-
159	159	-	351	351	-
-	-	-	-	-	-
8,004	8,004	-	351	351	-
11,787	10,819	968	1,552	1,295	256
-	-	-	-	-	-
11,787	10,819	968	1,552	1,295	256
\$ (3,782)	(2,815)	\$ 968	\$ (1,201)	(944)	\$ 256
	89			-	
	-			-	
	89			-	
	(2,725)			(944)	
	12,262			1,926	
	\$ 9,536			\$ 981	

This schedule continued on next page.

**Michigan**

**COMBINING SCHEDULE OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL -  
SPECIAL REVENUE FUNDS - REGULATORY AND ADMINISTRATIVE RELATED (Continued)**  
FISCAL YEAR ENDED SEPTEMBER 30, 2003  
(In Thousands)

	STATE CASINO GAMING FUND		
Statutory/Budgetary Basis	BUDGET	ACTUAL	VARIANCE
<b>REVENUES AND OTHER SOURCES</b>			
From federal agencies	\$ -	\$ -	\$ -
From services	1	1	-
From licenses and permits	597	597	-
Miscellaneous	28,061	28,061	-
Transfers in	-	-	-
	28,659	28,659	-
<b>EXPENDITURES, TRANSFERS OUT, AND ENCUMBRANCES - BY BRANCH, DEPARTMENT/AGENCY</b>			
Consumer and Industry Services	-	-	-
Treasury	24,421	24,421	-
	24,421	24,421	-
Revenues and Other Sources over (under) Expenditures, Encumbrances, and Other Uses (Statutory/budgetary basis)	\$ 4,238	4,238	\$ -
Reconciling Items:			
Encumbrances at September 30		116	
Funds not annually budgeted		-	
Net Reconciling Items		116	
Excess of Revenues and Other Sources over (under) Expenditures and Other Uses (GAAP Basis)		4,354	
<b>FUND BALANCES (GAAP BASIS)</b>			
Beginning balances		4,292	
Ending balances (GAAP Basis)		\$ 8,646	

**Michigan**

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FUNDS NOT ANNUALLY BUDGETED

SECOND INJURY FUND	SILICOSIS, DUST DISEASE, AND LOGGING INDUSTRY COMPENSATION FUND	SELF-INSURERS' SECURITY FUND	UTILITY CONSUMER REPRESENTATION FUND	TOTALS		
				BUDGET	ACTUAL	VARIANCE
ACTUAL	ACTUAL	ACTUAL	ACTUAL			
\$ -	\$ -	\$ -	\$ -	\$ 111,445	\$ 111,445	\$ -
-	-	-	-	2	2	-
-	-	-	-	8,442	8,442	-
-	-	-	-	36,043	36,043	-
-	-	-	-	29,472	29,472	-
-	-	-	-	185,402	185,402	-
-	-	-	-	162,075	160,003	2,072
-	-	-	-	24,421	24,421	-
-	-	-	-	186,496	184,424	2,072
-	-	-	-	<u>\$ (1,094)</u>	978	<u>\$ 2,072</u>
-	-	-	-		637	
4,545	1,615	(160)	248		6,248	
4,545	1,615	(160)	248		6,885	
4,545	1,615	(160)	248		7,863	
14,940	1,567	5,277	2,714		46,907	
<u>\$ 19,484</u>	<u>\$ 3,183</u>	<u>\$ 5,117</u>	<u>\$ 2,962</u>		<u>\$ 54,770</u>	



## SPECIAL REVENUE FUNDS – OTHER STATE FUNDS

### SCHOOL BOND LOAN FUND

Article 9, Section 16, of the State Constitution, P.A. 74 of 1955, and P.A. 112 of 1961 authorized the issuance of State general obligation bonds to provide funds for loans to school districts. Loans are made for the payment of principal and interest on school district bonds under prescribed circumstances. State bond proceeds are credited to the fund as an "Other Financing Source." When loans are made, transfers are recorded to the General Fund, which receives loan payments and provides financing for debt service. In the General Fund, loans receivable are recorded as assets.

### TOBACCO SETTLEMENT TRUST FUND

Public Act 489 of 2000 created this fund to account for a portion of the revenue from the master settlement agreement between tobacco manufacturers and the State. The settlement reimburses the State for health care costs, which result from the use of tobacco products. Fund expenditures are used for a variety of programs as determined by the Legislature.

### MICHIGAN MERIT AWARD TRUST FUND

This fund was created by P.A. 94 of 1999 to account for a portion of the revenue from the master settlement agreement between tobacco manufacturers and the State. The settlement reimburses the State for health care costs, which result from the use of tobacco products. The fund also consists of interest and earnings from trust fund investments and donations. Fund expenditures are primarily used for the Michigan Merit Award Scholarship Program.

### ASSIGNED CLAIMS FACILITY AND PLAN FUND

Michigan Compiled Laws Section 500.3171 requires the Secretary of State to organize and maintain the Assigned Claims Facility and Plan Fund to provide personal protection insurance benefits to persons injured by uninsured motorists, when coverage is not available from other sources. The Facility administers the Plan through servicing insurers. Assessments to self-insurers and no-fault insurers cover the costs incurred by the Facility and Plan.

### MISCELLANEOUS SPECIAL REVENUE FUNDS

The miscellaneous special revenue funds column reflects the activities of the following funds: Vietnam Veterans' Memorial Monument, Children's Institute Trust, and Special Assessment Deferment.

**Michigan**

**COMBINING BALANCE SHEET**  
**SPECIAL REVENUE FUNDS - OTHER STATE FUNDS**  
 SEPTEMBER 30, 2003  
 (In Thousands)

	SCHOOL BOND LOAN FUND	TOBACCO SETTLEMENT TRUST FUND	MICHIGAN MERIT AWARD TRUST FUND
<b>ASSETS</b>			
Current Assets:			
Equity in common cash	\$ 4,170	\$ 15,858	\$ 86,653
Other current assets	-	683	2,098
Total Current Assets	<u>4,170</u>	<u>16,541</u>	<u>88,751</u>
Other noncurrent assets	-	-	-
Total Assets	<u>\$ 4,170</u>	<u>\$ 16,541</u>	<u>\$ 88,751</u>
<b>LIABILITIES AND FUND BALANCES</b>			
Current Liabilities:			
Warrants outstanding	\$ -	\$ 115	\$ 182
Accounts payable and other liabilities	52	1,076	86,957
Amounts due to other funds	-	2	9
Deferred revenue	-	-	-
Total Current Liabilities	<u>52</u>	<u>1,193</u>	<u>87,147</u>
Long-Term Liabilities:			
Deferred revenue	-	-	-
Total Liabilities	<u>52</u>	<u>1,193</u>	<u>87,147</u>
Fund Balances:			
Reserves for:			
Budgetary Carry-Forwards:			
Encumbrances	-	2,842	342
Multi-year projects	-	-	483
Noncurrent assets	-	-	-
Total Reserved	<u>-</u>	<u>2,842</u>	<u>824</u>
Unreserved	<u>4,118</u>	<u>12,506</u>	<u>779</u>
Total Fund Balances	<u>4,118</u>	<u>15,348</u>	<u>1,604</u>
Total Liabilities and Fund Balances	<u>\$ 4,170</u>	<u>\$ 16,541</u>	<u>\$ 88,751</u>

**Michigan**

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ASSIGNED CLAIMS FACILITY AND PLAN FUND	MISCELLANEOUS SPECIAL REVENUE FUNDS	<b>TOTALS</b>
\$ 16,457	\$ 1,004	\$ 124,141
913	329	4,023
<u>17,370</u>	<u>1,332</u>	<u>128,164</u>
-	1,760	1,760
<u>\$ 17,370</u>	<u>\$ 3,093</u>	<u>\$ 129,924</u>
\$ 2,514	\$ 25	\$ 2,835
13,960	5	102,049
-	-	11
895	-	895
<u>17,370</u>	<u>29</u>	<u>105,791</u>
-	521	521
<u>17,370</u>	<u>550</u>	<u>106,311</u>
-	-	3,184
-	-	483
-	1,760	1,760
<u>-</u>	<u>1,760</u>	<u>5,427</u>
-	782	18,186
<u>-</u>	<u>2,543</u>	<u>23,613</u>
<u>\$ 17,370</u>	<u>\$ 3,093</u>	<u>\$ 129,924</u>

**Michigan**

**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**SPECIAL REVENUE FUNDS - OTHER STATE FUNDS**  
 FISCAL YEAR ENDED SEPTEMBER 30, 2003  
 (In Thousands)

	SCHOOL BOND LOAN FUND	TOBACCO SETTLEMENT TRUST FUND	MICHIGAN MERIT AWARD TRUST FUND
<b>REVENUES</b>			
Miscellaneous	\$ -	\$ 80,818	\$ 239,579
Total Revenues	<u>-</u>	<u>80,818</u>	<u>239,579</u>
<b>EXPENDITURES</b>			
Current:			
General government	572	32,733	13,768
Education	-	13,142	84,483
Family independence services	-	-	-
Public safety and corrections	-	-	-
Labor, commerce, and regulatory	-	6,865	-
Health services	-	73,479	-
Total Expenditures	<u>572</u>	<u>126,220</u>	<u>98,251</u>
Excess of Revenues over (under) Expenditures	<u>(572)</u>	<u>(45,402)</u>	<u>141,328</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Bonds and notes issued	116,765	-	-
Transfers from other funds	-	-	6,000
Transfers to other funds	(112,117)	(20,605)	(155,299)
Total Other Financing Sources (Uses)	<u>4,648</u>	<u>(20,605)</u>	<u>(149,299)</u>
Excess of Revenues and Other Sources over (under) Expenditures and Other Uses	4,076	(66,006)	(7,970)
Fund Balances - Beginning of fiscal year	<u>42</u>	<u>81,355</u>	<u>9,574</u>
Fund Balances - End of fiscal year	<u>\$ 4,118</u>	<u>\$ 15,348</u>	<u>\$ 1,604</u>

<u>ASSIGNED CLAIMS FACILITY AND PLAN FUND</u>	<u>MISCELLANEOUS SPECIAL REVENUE FUNDS</u>	<u>TOTALS</u>
\$ 73,642	\$ 290	\$ 394,329
<u>73,642</u>	<u>290</u>	<u>394,329</u>
72,964	1	120,038
-	-	97,625
-	4	4
-	181	181
-	-	6,865
-	-	<u>73,479</u>
<u>72,964</u>	<u>187</u>	<u>298,193</u>
<u>678</u>	<u>103</u>	<u>96,136</u>
-	-	116,765
-	-	6,000
<u>(678)</u>	<u>-</u>	<u>(288,698)</u>
<u>(678)</u>	<u>-</u>	<u>(165,933)</u>
-	103	(69,798)
-	2,440	93,411
<u>\$ -</u>	<u>\$ 2,543</u>	<u>\$ 23,613</u>

**Michigan**

**COMBINING SCHEDULE OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL -  
SPECIAL REVENUE FUNDS - OTHER STATE FUNDS**  
FISCAL YEAR ENDED SEPTEMBER 30, 2003  
(In Thousands)

Statutory/Budgetary Basis	TOBACCO SETTLEMENT TRUST FUND			MICHIGAN MERIT AWARD TRUST FUND		
	BUDGET	ACTUAL	VARIANCE	BUDGET	ACTUAL	VARIANCE
<b>REVENUES AND OTHER SOURCES</b>						
Miscellaneous	\$ 80,818	\$ 80,818	\$ -	\$ 239,579	\$ 239,579	\$ -
Transfers in	-	-	-	6,000	6,000	-
Total Revenues and Other Sources	<u>80,818</u>	<u>80,818</u>	<u>-</u>	<u>245,579</u>	<u>245,579</u>	<u>-</u>
<b>EXPENDITURES, TRANSFERS OUT, AND ENCUMBRANCES - BY BRANCH, DEPARTMENT/AGENCY</b>						
Attorney General	352	233	118	-	-	-
Career Development	16,540	7,268	9,273	-	-	-
Colleges and Universities Grants	15,542	15,542	-	88,719	88,450	270
Community Health	75,993	73,523	2,470	-	-	-
Management and Budget	32,500	32,500	-	-	-	-
Treasury	20,600	20,600	-	171,378	165,441	5,936
Total Expenditures, Transfers Out, and Encumbrances	<u>161,527</u>	<u>149,666</u>	<u>11,861</u>	<u>260,097</u>	<u>253,891</u>	<u>6,206</u>
Revenues and Other Sources over (under) Expenditures, Encumbrances, and Other Uses (Statutory/budgetary basis)	<u>\$ (80,709)</u>	<u>(68,848)</u>	<u>\$ 11,861</u>	<u>\$ (14,518)</u>	<u>(8,312)</u>	<u>\$ 6,206</u>
Reconciling Items:						
Encumbrances at September 30		2,842			342	
Funds not annually budgeted		-			-	
Net Reconciling Items		<u>2,842</u>			<u>342</u>	
Excess of Revenues and Other Sources over (under) Expenditures and Other Uses (GAAP Basis)		<u>(66,006)</u>			<u>(7,970)</u>	
<b>FUND BALANCES (GAAP BASIS)</b>						
Beginning balances		<u>81,355</u>			<u>9,574</u>	
Ending balances (GAAP Basis)		<u>\$ 15,348</u>			<u>\$ 1,604</u>	

**Michigan**

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FUNDS NOT ANNUALLY BUDGETED

SCHOOL BOND LOAN FUND	ASSIGNED CLAIMS FACILITY AND PLAN FUND	MISCELLANEOUS SPECIAL REVENUE FUNDS	TOTALS		
ACTUAL	ACTUAL	ACTUAL	BUDGET	ACTUAL	VARIANCE
\$ -	\$ -	\$ -	\$ 320,397	\$ 320,397	\$ -
-	-	-	6,000	6,000	-
-	-	-	326,397	326,397	-
-	-	-	352	233	118
-	-	-	16,540	7,268	9,273
-	-	-	104,261	103,992	270
-	-	-	75,993	73,523	2,470
-	-	-	32,500	32,500	-
-	-	-	191,978	186,041	5,936
-	-	-	421,624	403,557	18,067
-	-	-	<u>\$ (95,227)</u>	<u>(77,160)</u>	<u>\$ 18,067</u>
-	-	-		3,184	
4,076	-	103		4,179	
4,076	-	103		7,362	
4,076	-	103		(69,798)	
42	-	2,440		93,411	
<u>\$ 4,118</u>	<u>\$ -</u>	<u>\$ 2,543</u>		<u>\$ 23,613</u>	

