

Michigan
Notes to the Financial Statements

NOTE 22 – FUND BALANCES AND NET ASSETS

Reserves are recorded for noncurrent assets if they do not represent current financial resources available for appropriation. No reservation is recorded for noncurrent assets if doing so would result in a duplicate reduction of unreserved fund balance. This occurs if the noncurrent assets have already been reserved for some other reason or if they are related to revenues that have been deferred because of not being “available.”

Reserved fund balance for other purposes represents a reserve account required by the State Park Gross Revenue Bonds document. This reserved amount is used to pay principal and interest in the event of default.

Also, no reservations of fund balances are recorded in single purpose special revenue funds. From the overall State perspective, the unreserved fund balances of funds other than the General Fund are restricted by the nature of the fund type and they are not available for general State purposes.

Net Asset Designations - Primary Government

The line “Unrestricted net assets” on the government-wide Statement of Net Assets contains designations as follows:

The State Sponsored Group Insurance Fund, an internal service fund described in Note 25, designated \$47.7 million for future catastrophic losses.

Restricted Net Assets – Primary Government

The following table provides additional detail regarding the restricted net assets reported for the primary government on the government-wide Statement of Net Assets (in millions):

	Restricted by Enabling Legislation	External or Constitutional Restrictions	Total
Governmental Activities:			
Restricted For:			
Education	\$ 1.3	\$ 494.8	\$ 496.2
Public safety and corrections	14.0	4.0	17.9
Conservation, environment, recreation, and agriculture	178.8	190.1	368.9
Health and human services	23.8	26.2	50.1
Transportation	-	766.9	766.9
Labor and economic growth	99.9	-	99.9
Other purposes	89.7	12.7	102.4
Funds Held as Permanent Investments:			
Expendable	-	132.6	132.6
Nonexpendable	7.6	557.3	564.9
Total Restricted Net Assets - Governmental	\$ 415.1	\$ 2,184.7	\$ 2,599.8
Business-Type Activities:			
Restricted For:			
Unemployment compensation	\$ 35.9	\$ -	\$ 35.9
Other purposes	36.8	-	36.8
Total Restricted Net Assets – Business-Type	\$ 72.7	\$ -	\$ 72.7
Total Primary Government:			
Restricted For:			
Education	\$ 1.3	\$ 494.8	\$ 496.2
Public safety and corrections	14.0	4.0	17.9
Conservation, environment, recreation, and agriculture	178.8	190.1	368.9
Health and human services	23.8	26.2	50.1
Transportation	-	766.9	766.9
Unemployment compensation	35.9	-	35.9
Labor and economic growth	99.9	-	99.9
Other purposes	126.5	12.7	139.2
Funds Held as Permanent Investments:			
Expendable	-	132.6	132.6
Nonexpendable	7.6	557.3	564.9
Total Restricted Net Assets – Primary Government	\$ 487.8	\$ 2,184.7	\$ 2,672.4