

MICHIGAN DEPARTMENT OF TRANSPORTATION  
**DESCRIPTIONS OF CAPITAL PROJECTS FUNDS**  
FISCAL YEAR ENDED SEPTEMBER 30, 2011

**STATE TRUNKLINE FUND**

This fund provides for construction and maintenance of highways. Its overall budget is subject to annual legislative review and appropriation, but the Transportation Commission has significant discretion in determining the funding of individual projects. Major financing sources are transfers from the Michigan Transportation Fund, federal aid, and local participation. Expenditures and transfers are for administration, highway maintenance and construction, debt service, and various contractual obligations. In accordance with the annual appropriation act, unencumbered balances at fiscal year end are transferred to the road and bridge construction account.

In fiscal year 1988, the Economic Development Fund (EDF), a sub-fund, was created within the State Trunkline Fund. The statements for the State Trunkline Fund include the financial activity for EDF. A separate schedule summarizing EDF activity is included in the Statistical Section of this report.

**BLUE WATER BRIDGE FUND**

The fund was administratively established to account for the Blue Water Bridge project. Through provisions of Section 1012 in the federal Intermodal Surface Transportation Efficiency Act (ISTEA) of 1991, the State Trunkline Fund received federal funds to be loaned to the Blue Water Bridge Fund for construction of the Blue Water Bridge project. Repayment of the \$45 million loan began in 1998. The loan was fully repaid during fiscal year 2007.

**STATE AERONAUTICS FUND**

This fund, established by Public Act 327 of 1945, administers development and capital improvement projects for local airports. Its budget is subject to annual legislative review and appropriation. Financing consists mostly of federal revenues, airport parking taxes, and aviation fuel taxes. Expenditures and transfers are for administration and local airport improvement project costs. At fiscal year end, in accordance with the annual appropriation act, any unencumbered balance lapses and reverts to the fund for appropriation in the following fiscal year.

**COMBINED STATE TRUNKLINE BOND PROCEEDS FUND**

A separate fund is established to account for the proceeds of each bond issue. Revenue and expenditure data by individual proceeds fund is available in the Statistical Section, Schedule of Revenues and Expenditures by Fund.

The Combined State Trunkline Bond Proceeds Fund consists of the following funds:

MICHIGAN DEPARTMENT OF TRANSPORTATION  
**DESCRIPTIONS OF CAPITAL PROJECTS FUNDS**  
FISCAL YEAR ENDED SEPTEMBER 30, 2011

**COMBINED STATE TRUNKLINE BOND PROCEEDS FUND** (continued)

**2001 BUILD MICHIGAN III BOND PROCEEDS FUND**

This fund was established pursuant to Section 18(b) of Public Act 51 of 1951, as amended, to account for the proceeds of up to \$308.2 million of state trunkline bonds. The bonds are not general obligations of the State of Michigan but are payable solely out of funds restricted as to use for state trunkline purposes by Section 9 of Article IX of the Michigan Constitution and irrevocably pledged by law for deposit in the State Trunkline Fund. The proceeds are to be used to finance the construction of various trunkline transportation projects and to pay the costs of issuance of the bonds.

**2009 JOBS TODAY AND ECONOMIC STIMULUS TAXABLE BUILD AMERICA GRANT ANTICIPATION BOND PROCEEDS FUND**

This fund was established pursuant to Section 18(b) of Public Act 51 of 1951, as amended, to account for the proceeds of up to \$281.9 million of taxable Build America grant anticipation bonds. The Series 2009 Bonds will be secured by a pledge of, and be payable solely from, (i) the State's share of federal reimbursements for projects administered by the Department and other eligible federal assistance that the Department shall receive from the Federal Highway Administration with respect to federally-aided highway construction projects under or in accordance with Title 23 of the United States Code or any successor highway program established under federal law, and (ii) the moneys in the Note Payment Fund. Proceeds from the sale of the Series 2009 Bonds together with investment earnings on such proceeds and other available moneys will be used to pay a portion of the costs of certain transportation projects, and to pay the costs of issuance of the Series 2009 Bonds.

**2009 STATE TRUNKLINE FUND BOND PROCEEDS FUND**

This fund was established pursuant to Section 18(b) of Public Act 51 of 1951, as amended, to account for the proceeds of up to \$4.0 million of state trunkline bonds. The bonds are not general obligations of the State of Michigan but are payable solely out of funds restricted as to use for state trunkline purposes by Section 9 of Article IX of the Michigan Constitution and irrevocably pledged by law for deposit in the State Trunkline Fund. The proceeds of the sale of the bonds together with investment earnings on such proceeds will be used for the purpose of paying a portion of the costs of certain transportation projects, and to pay costs of issuance of the bonds.

MICHIGAN DEPARTMENT OF TRANSPORTATION  
**DESCRIPTIONS OF CAPITAL PROJECTS FUNDS**  
FISCAL YEAR ENDED SEPTEMBER 30, 2011

**COMBINED COMPREHENSIVE TRANSPORTATION BOND PROCEEDS FUND**

A separate fund is established to account for the proceeds of each bond issue. Revenue and expenditure data by individual proceeds fund is available in the Statistical Section, Schedule of Revenues and Expenditures by Fund. The Combined Comprehensive Transportation Bond Proceeds Fund consists of the following funds:

**2002 COMPREHENSIVE TRANSPORTATION FUND BOND PROCEEDS FUND**

This fund was established pursuant to Section 18(b) of Public Act 51 of 1951, as amended, to account for the proceeds of up to \$82.3 million of comprehensive transportation bonds. The bonds are not general obligations of the State of Michigan but are payable solely out of the funds restricted as to use for comprehensive transportation purposes by Section 9 of Article IX of the Michigan Constitution and irrevocably pledged by law for deposit in the Comprehensive Transportation Fund.

**2003 COMPREHENSIVE TRANSPORTATION FUND BOND PROCEEDS FUND**

This fund was established pursuant to Section 18(b) of Public Act 51 of 1951, as amended, to account for the proceeds of up to \$35.0 million of comprehensive transportation bonds. The bonds are not general obligations of the State of Michigan but are payable solely out of the funds restricted as to use for comprehensive transportation purposes by Section 9 of Article

IX of the Michigan Constitution and irrevocably pledged by law for deposit in the Comprehensive Transportation Fund.

**2006 COMPREHENSIVE TRANSPORTATION FUND BOND PROCEEDS FUND**

This fund was established pursuant to Section 18(b) of Public Act 51 of 1951, as amended, to account for the proceeds of up to \$35.0 million of comprehensive transportation bonds. The bonds are not general obligations of the State of Michigan but are payable solely out of the funds restricted as to use for comprehensive transportation purposes by Section 9 of Article IX of the Michigan Constitution and irrevocably pledged by law for deposit in the Comprehensive Transportation Fund.

**TRANSPORTATION RELATED TRUST FUND**

To achieve administrative efficiencies, effective October 1, 1990, the Special Federal Bridge Replacement Trust Fund, the Federal County Road Trust Fund, the Federal Urban Transportation System Trust Fund, and the Highway Topics and Safety Program Trust Fund were combined in a single trust fund. The Metropolitan Planning Fund was added in fiscal year 2000. The functions and purposes of these funds, although combined in a single fund, remain unchanged.

MICHIGAN DEPARTMENT OF TRANSPORTATION  
**DESCRIPTIONS OF CAPITAL PROJECTS FUNDS**  
FISCAL YEAR ENDED SEPTEMBER 30, 2011

**TRANSPORTATION RELATED TRUST FUND** (continued)

The following sub-funds are included:

**SPECIAL FEDERAL BRIDGE REPLACEMENT TRUST FUND**

This fund was established in conjunction with the Federal Highway Act of 1970, Section 144. The fund accounts for the federal and state funding used to upgrade state and locally-owned bridges.

**FEDERAL COUNTY ROAD TRUST FUND**

This fund was established in conjunction with the Federal Highway Act of 1944, as amended. The fund accounts for the federal and state money expended to meet the road construction needs of rural areas and communities with populations less than 5,000.

**FEDERAL URBAN TRANSPORTATION SYSTEM TRUST FUND**

This fund was created to administer provisions of the Federal Highway Act of 1970, as amended. The fund accounts for the federal and state money expended to meet the road construction needs of communities with populations 5,000 or more.

**HIGHWAY TOPICS AND SAFETY PROGRAM TRUST FUND**

This fund was established in conjunction with the Federal Highway Acts of 1968 and 1973. The fund accounts for federal and state money used to fund urban and road safety projects.

**METROPOLITAN PLANNING FUND**

This fund was established by the Federal Highway Act of 1973, Sections 112 and 134, to account for federal funds that reimburse local regional planning agencies for operating expenses.