

2014 - 2015

ANNUAL REPORT

of the Michigan State Treasurer



Rick Snyder, Governor
Nick A. Khouri, Treasurer

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Note: Dollar figures in financial tables represent thousands of dollars unless indicated otherwise. Figures may not add to totals because of rounding.



STATE OF MICHIGAN
DEPARTMENT OF TREASURY
LANSING

RICK SNYDER
GOVERNOR

NICK A. KHOURI
STATE TREASURER

The Honorable Rick Snyder
Members of the Michigan Legislature
People of the State of Michigan

Attached for your review is the Annual Report of the Michigan State Treasurer for Fiscal Year (FY) 2014-2015. This report contains financial information regarding the State Treasurer's Common Cash Fund; Investment Portfolios and Revenues; Michigan's General Obligation Debt, Bond, and Note Payments; as well as State Administered Tax Revenues collected during FY 2015.

Sincerely,

A handwritten signature in black ink, appearing to read "N.A. Khouri", with a long horizontal flourish extending to the right.

N.A. Khouri
State Treasurer

Schedule 1



State Treasurer's Common Cash - Assets and Equities (In Thousands of Dollars)

	<u>Fiscal Year Ended September 30</u>	
	<u>2015</u>	<u>2014</u>
<u>Assets</u>		
Demand Deposits	\$ 1,310,652	\$ 2,599,748
Time Deposits - Regular	-0-	-0-
Prime Commercial Paper - At Cost	3,541,989	2,209,531
Emergency Municipal Loans	139,846	124,693
Total	<u>\$ 4,992,487</u>	<u>\$ 4,933,972</u>
 <u>Equities</u>		
Available Equity of Other Funds	\$ 4,922,440	\$ 4,836,149
Outstanding Warrants	70,047	97,823
Total	<u>\$ 4,992,487</u>	<u>\$ 4,933,972</u>

Schedule 2



Investment Portfolios of Specific Funds (In Thousands of Dollars)

Fund	Short-Term Investments	Fixed Income Securities	Equities and Mutual Funds	Real Estate and Infrastructure	Private Equity	Absolute Return	International Equities	FY Ended Sept. 30	
								2015 Total	2014 Total
Legislative Retirement	\$1,108	\$30,798	\$106,644	\$ -0-	\$16,186	\$ -0-	\$ -0-	\$154,736	\$178,597
State Police Retirement	57,682	161,313	370,250	133,695	223,003	193,887	182,650	1,322,480	1,325,918
State Employees' Retirement	492,836	1,458,176	3,347,177	1,209,124	2,016,688	1,754,059	1,650,654	11,928,714	11,935,945
Public School Employees' Retirement	2,515,104	5,584,455	12,816,129	4,630,024	7,721,385	6,715,534	6,321,389	46,304,020	47,306,942
Judges' Retirement	13,481	31,178	71,518	25,838	43,068	37,482	35,259	257,824	272,679
Michigan Veterans' Trust	632	34,647	10,873	-0-	6,686	-0-	-0-	52,838	53,723
Game & Fish Lifetime License Trust	16,077	1,048	-0-	-0-	-0-	-0-	-0-	17,125	12,970
Game & Fish Protection Trust	1,193	114,628	57,352	-0-	45,108	-0-	-0-	218,281	222,625
Michigan Natural Resources Trust	79,743	365,319	104,726	-0-	128,763	-0-	-0-	678,551	693,494
Michigan State Parks Endowment	41,584	123,357	49,951	-0-	44,253	-0-	-0-	259,145	250,853
Children's Trust	2,635	14,259	4,086	-0-	4,332	-0-	-0-	25,312	24,872
Michigan Nongame Fish and Wildlife Trust	1,659	4,473	644	-0-	-0-	-0-	-0-	6,776	6,922
State Lottery	4,545	217,055	-0-	-0-	-0-	-0-	-0-	221,600	236,069
Michigan Education Trust	97,998	308,927	430,256	-0-	94,802	-0-	-0-	931,983	963,937
Mackinac Bridge Authority	3,932	65,664	-0-	-0-	-0-	-0-	-0-	69,596	65,193
Gift, Bequests and Deposits Investment	19,113	19,874	11	-0-	-0-	-0-	-0-	38,998	36,003
Totals	\$3,349,322	\$8,535,171	\$17,369,617	\$5,998,681	\$10,344,274	\$8,700,962	\$8,189,952	\$62,487,979	\$63,586,742

The accompanying notes are an integral part of the financial schedules.

Schedule 3



Investment Revenues (In Thousands of Dollars)

Fund	Common Cash	Specific Funds	Total Revenues Fiscal Year Ended September 30	
			2015	2014
General	\$ 620	\$ -0-	\$ 620	\$ 530
Game and Fish Lifetime License Trust	8	37	45	62
State Aeronautics	7	-0-	7	15
Michigan Veterans' Benefit Trust	3	1,400	1,403	4,186
State Trunkline	647	-0-	647	506
Michigan State Waterways	22	-0-	22	20
Blue Water Bridge	71	-0-	71	55
Michigan Transportation	143	-0-	143	109
Comprehensive Transportation	54	-0-	54	31
School Aid	478	-0-	478	338
Game and Fish Protection Trust	26	3,911	3,937	16,224
State Park Improvement	21	-0-	21	13
Forest Development	18	-0-	18	6
Michigan Natural Resources Trust	93	13,712	13,805	41,080
Michigan State Parks Endowment	60	4,225	4,285	14,243
Safety Education and Training	4	-0-	4	4
Bottle Deposits	42	-0-	42	37
State Construction Code	2	-0-	2	2
Children's Trust	3	611	614	1,522
Michigan Nongame Fish and Wildlife	2	93	94	359
21st Century Jobs Trust	366	-0-	366	282
Michigan Merit Award Trust	102	-0-	102	93
State Trunkline Bond Proceeds	57	-0-	57	48
Comprehensive Transportation Bond Proceeds	11	-0-	11	14
Outdoor Recreation Legacy	1	-0-	1	1
Off-Road Vehicle	8	-0-	8	4
Snowmobile	9	-0-	9	7
Michigan Settlement Administration Auth	66	-0-	66	3
Unemployment Obligation Trust	17	-0-	17	15
Liquor Purchasing Revolving	110	-0-	110	67
State Lottery	82	12,927	13,009	18,081

Schedule 3



Continued. . . (In Thousands of Dollars)

Fund	Common Cash	Specific Funds	Total Revenues Fiscal Year Ended September 30	
			2015	2014
Michigan Strategic	\$ 91	\$ -0-	\$ 91	\$ 41
Michigan State Housing Development	11	-0-	11	14
Land Bank Fast Track	4	-0-	4	12
Jobs For Michigan Investment	120	-0-	120	84
State Sponsored Group Insurance	283	-0-	283	233
State Water Pollution Control Loan	1	-0-	1	1
School Loan Revolving	349	-0-	349	231
Combined State Trunkline Bond and Interest Redemption	1	-0-	1	-0-
Combined Comprehensive Transportation Bond and Interest Redemption	-0-	-0-	-0-	1
Recreation & Environmental Protection Bond	1	-0-	1	1
Legislative Retirement	2	(6,945)	(6,943)	17,653
State Police Retirement	-0-	31,483	31,483	186,612
State Employees' Retirement	(16)	286,054	286,039	1,679,814
Public School Employees' Retirement	(17)	1,127,115	1,127,098	6,682,047
Judges' Retirement	-0-	6,640	6,641	38,064
Michigan Employment Security Act Contingent	91	-0-	91	39
Military Family Relief	3	-0-	3	2
Intrastate Switched Toll Restruct.	1	-0-	1	2
Gifts, Bequests, and Deposits Investment	19	827	846	444
Silicosis, Dust Disease, and Logging Industry Compensation	1	-0-	1	1
Second Injury	10	-0-	10	8
Self-Insurers' Security	33	-0-	33	26
State Employees' Deferred Compensation I (457)	-0-	-0-	-0-	-0-
State Employees' Deferred Compensation II (401 (k))	-0-	-0-	-0-	-0-
State of Michigan MPSERS DC 457	4	-0-	4	3
Environmental Quality Deposits	4	-0-	4	5
Utility Consumer Representation	2	-0-	2	2
Transportation Related Trust	(8)	-0-	(8)	(16)
Mackinac Bridge Authority	-0-	2,454	2,454	1,176
Michigan Education Trust	-0-	2,577	2,577	89,318
TOTALS	\$4,142	\$1,487,121	\$1,491,263	\$8,793,772

The accompanying notes are an integral part of the financial schedules.



NOTE 1: SIGNIFICANT ACCOUNTING POLICIES

a. Report Presentation

The accompanying financial schedules report the assets and equities of the State Treasurer's common cash (Schedule 1), investment portfolios of specific funds (Schedule 2), and investment revenues of the common cash and specific funds (Schedule 3).

The State Treasurer's common cash and specific funds are accounted for in various funds of the State of Michigan and reported in the *State of Michigan Comprehensive Annual Financial Report*.

The *State of Michigan Comprehensive Annual Financial Report* provides more extensive general disclosures regarding the State Treasurer's common cash and deposits and investments. These disclosures provide information regarding market values and risk levels of the deposits and investments.

Common Cash Pool. The State Treasurer, under the authority provided by State statute, manages the State's common cash pool. The pooling of cash allows the State Treasurer to invest money not needed to pay immediate obligations so that investment earnings on available cash are maximized. Pool investments are not segregated by fund; rather, each contributing fund's balance is treated as equity in the common cash pool.

Investments. The State Treasurer, under authority provided by State statutes, manages most investments for the State of Michigan.

Short-Term Investments: This category includes each of the listed fund's individually held short-term investments by classification, the fund's equity in the State Treasurer's common cash pool, and receivables and payables pertaining to security trades not yet settled at fiscal year-end.

Alternative Investments: These investments consist of limited partnerships.

Derivatives: Derivatives are financial instruments whose value is derived from, or based on, an underlying security, asset, reference rate, or index. The State Treasurer only uses derivatives securities or related contractual agreements to hedge assets held or to replicate asset returns. Derivatives are not used for speculation or to leverage the investment portfolios.

The State Treasurer invests in derivatives as detailed below:

- *Fixed Income Investments (Derivatives - Future Contracts):* U.S. Treasury Bond Future Contracts are investments to manage duration and yield curve exposure. On September 30, 2015 and 2014, future contracts represent less than 0.1 percent of the fixed income investment category and less than 0.1 percent of the total pension trust funds.
- *Domestic Equity Investments (Derivatives - Option Contracts):* Option Contracts are investments on single securities to provide downside protection and enhance current income. On September 30, 2015 and 2014, option contracts represent less than 0.1 percent of the domestic equity investment category of the pension trust funds.
- *International Equity Investments (Derivatives - Swaps):* International equity investments swap agreements are investments tied to stock market indices in 42 foreign countries and are the core of the international equity market investment strategy. On September 30, 2015 and 2014, the swap agreements represented 13.5 percent and 14.0 percent of the international equity investment category, respectively.
- *Domestic Equity Investments (Derivatives - Swaps):* Domestic equity swap agreements are investments tied to U.S. Stock indices. On September 30, 2015 and 2014, these swap agreements represent 0.2 percent and 0.4 percent of the domestic equity investment category, respectively.

The swap contractual agreements are made with large global banks and brokerage firms. On September 30, 2015 and 2014, they represent 1.8 percent and 2.2 percent of the total pension trust funds, respectively.

Separately issued financial reports including financial statements and required supplementary information are issued for the pension trust funds. These provide more extensive disclosure for derivatives.



b. Basis of Accounting

Schedule 1, *State Treasurer's Common Cash - Assets and Equities*, is presented on the cash basis of accounting. (*The State of Michigan Comprehensive Annual Financial Report's* disclosure regarding the State Treasurer's common cash includes \$1.0 million in interest receivable, because it is presented on the modified accrual basis of accounting.) Schedule 2, *Investment Portfolios of Specific Funds*, and Schedule 3, *Investment Revenues*, are reported on the accrual basis of accounting.

These financial schedules are not intended to constitute a complete financial presentation of either the Department of Treasury or the State's General Fund in accordance with accounting principles generally accepted in the United States of America.

c. Valuations of Investments

Schedule 1. All investments are reported at cost.

Demand deposits represent the account balance reported on bank statements and include deposits which are in the process of being collected through the banking system.

The market value of prime commercial paper and time deposits - regular at September 30, 2015 and 2014, was \$3,542.3 and \$2,209.6 million, respectively.

Schedule 2. Methods used to value investments.

All investments are reported at fair value. Securities traded on a national exchange are valued at last reported sales price. Investments that do not have an established market are reported at estimated fair value.

d. Securities Lending Transactions

Under the authority of Act No. 314 of the Public Acts of 1965, the State lends securities to broker-dealers and other entities for collateral that will be returned for the same securities in the future. The State's third-party agent, Credit Suisse, manages the securities lending program and receives cash collateral. The agent is not liable for any losses on the management of the cash collateral portfolio unless there is negligence or willful misconduct on its part. The collateral cash cannot be pledged or sold by the State and the State receives cash collateral in the amount of at least 102 percent of the market value of the securities lent. The types of securities lent are government securities, corporate bonds, and equities. There is no restriction on the amount of securities lent. Because the loans were terminable at will, their duration did not generally match the duration of the investments made with cash collateral. At September 30, 2015 and 2014, the State had no outstanding credit risk on the securities lent. The market value of the securities lent at September 30, 2015 and 2014, was \$3,468.2 and \$4,116.6 million, respectively. The amortized cost of the securities lending cash collateral pool at September 30, 2015 and 2014, was \$3,526.2 and \$4,190.1 million respectively. The market value of securities lending cash collateral pool at September 30, 2015 and 2014, was \$3,526.7 and \$4,048.9 million respectively.

NOTE 2: CHANGE IN REPORTING OF FUNDS

Effective for FY ended September 30, 2015:

No funds were added or removed.

Effective for FY ended September 30, 2014:

Environmental Protection Bond, and the 1992 State Truckline Bond Proceeds were removed from Schedule 3. Michigan Higher Education Assistance Authority was removed from Schedule 2 and 3.

Cash and Investments

The State Treasurer manages the State's cash so funds not needed to pay immediate obligations are invested to earn income. Investments include time certificates of deposit and prime commercial paper as detailed in Schedule 1, *State Treasurer's Common Cash - Assets and Equities*.

Statutes also allow the State Treasurer to loan funds from the common cash pool to financially troubled municipalities in Michigan.

The common cash fund pools the cash balances of certain State funds until paid as provided by law.

Manageable common cash includes the following funds:

- General
- School Aid
- Budget Stabilization
- Special Revenue and Enterprise
- Internal Service
- Trust and Agency

The State Treasurer is authorized to transfer cash on hand and on deposit among the various funds in the State Treasury, except funds established to pay debts service on notes and bonds, in such a manner as to best manage the available cash, maximize short-term investment earnings, and ensure State obligations are paid when due.

Table 1



Investment Revenues for Fiscal Years (In Thousands of Dollars)

	General Fund Common Cash Earnings (Expenses) ^(a)	Public School Employees' Retirement	State Employees' Retirement	State Police Retirement	Judges' Retirement	Other Investment Funds	Totals
2015	\$ 620	\$ 1,127,098	\$ 286,039	\$ 31,483	\$ 6,641	\$ 39,382	\$ 1,491,263
2014	530	6,682,047	1,679,814	186,612	38,064	206,705	8,793,772
2013	239	5,159,840	1,265,073	142,161	31,685	147,249	6,746,245
2012	(1,297)	5,735,829	1,379,714	155,136	35,594	281,462	7,586,438
2011	(722)	1,594,584	404,603	45,826	10,786	64,950	2,120,027
2010	(3,758)	3,846,693	927,685	104,319	22,723	176,040	5,073,702
2009	(3,076)	(2,591,269)	(652,076)	(74,793)	(20,709)	129,566	(3,212,357)
2008	(17,012)	(7,360,810)	(1,819,798)	(200,062)	(47,948)	9,025	(9,436,605)
2007	(25,140)	7,293,036	1,819,563	203,509	50,121	249,852	9,590,941
2006	(7,130)	5,023,726	1,267,821	142,130	34,774	192,070	6,653,391

(a) See the table below for the annual total of earnings and distributions resulting in General Fund Common Cash Earnings (Expenses).

Fiscal Year Ending	Total State Treasurer's Common Cash Fund Earnings	Distribution of Earnings to Retirement and Other Funds Reported in Their Earnings	General Fund Common Cash Earnings (Expenses)
2015	\$ 4,142	\$ 3,522	\$ 620
2014	3,119	2,589	530
2013	3,660	3,421	239
2012	2,246	3,543	(1,297)
2011	3,663	4,385	(722)
2010	2,901	6,659	(3,758)
2009	22,189	25,265	(3,076)
2008	68,893	85,905	(17,012)
2007	80,107	105,247	(25,140)
2006	82,456	89,586	(7,130)

Table 2



Available Month-End Common Cash (In Millions of Dollars)

Month	Combined General Fund & School Aid Fund ^(a)	Other Funds	Manageable Common Cash ^(b)	Retirement Funds	Bond Funds ^{(c)(d)}	Total Common Cash
October 2014	1,735.7	2,977.0	4,712.7	149.0	133.0	4,994.6
November	1,607.3	2,830.3	4,437.5	144.4	178.8	4,760.7
December	1,459.7	2,801.4	4,261.1	258.7	83.7	4,603.4
January 2015	1,815.4	2,895.5	4,710.9	139.1	83.3	4,933.2
February	742.7	2,708.9	3,451.7	128.4	83.0	3,663.2
March	309.1	2,702.3	3,011.4	116.2	64.6	3,192.2
April	69.9	3,191.3	3,261.2	172.4	100.8	3,534.4
May	(475.7)	2,966.3	2,490.6	152.5	68.9	2,712.0
June	(398.0)	3,056.7	2,658.6	259.7	62.7	2,981.0
July	(274.1)	3,223.3	2,949.2	165.7	62.3	3,177.2
August	(307.6)	3,027.6	2,720.0	53.3	62.0	2,835.3
September	1,316.9	3,395.3	4,712.3	177.7	32.5	4,922.4

(a) In accordance with Governmental Accounting Standards Board (GASB) Statement No. 54 Fund Balance Reporting and Governmental Fund Type Definition the Budget Stabilization Fund is a committed subfund of the General Fund.

(b) Manageable Common Cash Includes the General, School Aid, Budget Stabilization, Special Revenue, Enterprise, Internal Service, Trust, and Agency Funds.

(c) Includes Debt Service and Bond Funds.

(d) In accordance with Governmental Accounting Standards Board (GASB) Statement No. 54 Fund Balance Reporting and Governmental Fund Type Definition the School Bond Loan Fund, Environmental Protection Bond Fund, and the Clean Michigan Initiative Bond Fund – Environmental Projects and the Great Lakes Water Quality Bond Fund are restricted subfunds of the General Fund.

Table 3



Common Cash History (In Millions of Dollars)

Fiscal Year Ended	Combined General Fund and School Aid Fund	Budget Stabilization Fund ^(a)	Other Funds	Manageable Common Cash ^(b)	Retirement Funds	Bond Funds ^(c)	Total Common Cash
September 2006	(1,300.5)	2.0	2,159.3	860.8	93.2	443.5	1,397.5
September 2007	(1,004.4)	2.1	2,396.9	1,394.6	133.7	423.4	1,951.7
September 2008	(616.6)	2.2	2,088.7	1,474.3	822.0	154.6	2,450.9
September 2009	(762.3)	2.2	1,843.8	1,083.7	138.7	317.4	1,539.8
September 2010	(373.7)	2.2	1,742.1	1,370.6	85.5	151.4	1,607.5
September 2011	1,025.1	2.2	2,109.5	3,136.8	244.5	109.9 ^(d)	3,491.2
September 2012	1,274.6	365.1	2,470.2	4,109.9	262.7	135.5 ^(d)	4,508.1
September 2013	1,586.5	505.6	2,727.2	4,819.3	521.2	82.3 ^(d)	5,422.8
September 2014	978.4	386.2	3,036.2	4,400.9	400.9	41.3 ^(d)	4,843.1
September 2015	818.8	498.1	3,395.3	4,712.3	177.7	32.5 ^(d)	4,922.4

(a) The State implemented Governmental Accounting Standards Board (GASB) Statement No. 54 Fund Balance Reporting and Governmental Fund Type Definition during fiscal year 2011. As a result, the Budget Stabilization Fund was reclassified as a subfund of the General Fund.

(b) Manageable Common Cash Includes the General, School Aid, Budget Stabilization, Special Revenue, Enterprise, Internal Service, Trust, and Agency Funds.

(c) Includes Debt Service and Bond Funds.

(d) During fiscal year 2011, the State implemented Governmental Accounting Standards Board (GASB) Statement No. 54 Fund Balance Reporting and Governmental Fund Type Definition. As a result, the School Bond Loan Fund, Environmental Protection Bond Fund, the Clean Michigan Initiative Bond Fund – Environmental Projects and the Great Lakes Water Quality Bond Fund were reclassified and are accounted for as restricted subfunds of the General Fund.

Table 4



State Treasurer's Common Cash Fund, Cash Balances, and Transactions by Fund (In Thousands of Dollars)

Fund	Cash Balances 10-1-14	Receipts ^(a)	Disbursements ^(b)	Transfers In	Transfers Out	Cash Balances 9-30-15	Warrants Outstanding	Available Balances 9-30-15
GENERAL AND SCHOOL AID								
General	\$ 2,157,623	\$ 42,272,424	\$ 42,139,462	\$ 251,668	\$ 380,745	\$ 2,161,508	\$ 54,459	\$ 2,107,050
Budget Stabilization (c)	386,231	116,267	4,349	-0-	-0-	498,149	-0-	498,149
School Aid	(1,114,506)	12,892,400	13,841,228	817,843	42,275	(1,287,766)	503	(1,288,269)
Total General and School Aid	\$ 1,429,348	\$ 55,281,091	\$ 55,985,039	\$ 1,069,511	\$ 423,020	\$ 1,371,892	\$ 54,961	\$ 1,316,930
SPECIAL REVENUE								
Game and Fish Protection	\$ 11,456	\$ 70,235	\$ 81,069	\$ 16,267	\$ 812	\$ 16,077	\$ 55	\$ 16,022
Michigan Employment Security Act-Administration	(7,822)	136,368	134,638	1,087	1,609	(6,614)	17	(6,631)
State Aeronautics	12,059	136,530	143,414	6,000	5,101	6,074	6	6,068
Michigan Veterans' Trust	1,521	18,688	19,569	-0-	8	632	-0-	632
State Trunkline	778,322	899,682	1,519,954	869,286	212,277	815,059	1,828	813,230
Michigan State Waterways	21,668	20,080	29,869	13,737	299	25,316	39	25,277
Blue Water Bridge	70,242	21,077	17,123	-0-	7,032	67,165	-0-	67,165
Michigan Transportation	107,270	2,045,091	1,016,693	740	1,034,222	102,186	482	101,704
Comprehensive Transportation	88,629	199,582	362,611	173,492	18,350	80,742	372	80,370
Game and Fish Protection Trust	15,973	56,952	55,464	-0-	16,267	1,193	-0-	1,193
State Park Improvement	18,319	60,742	50,754	-0-	1,796	26,511	18	26,493
Forest Development	11,769	45,571	35,791	-0-	447	21,101	26	21,076
Michigan Natural Resources Trust	74,024	233,307	227,569	-0-	18	79,743	1	79,742
Michigan State Parks Endowment	46,914	85,874	90,971	-0-	232	41,584	51	41,533
Safety Education and Training	6,973	9,612	10,096	-0-	128	6,362	8	6,354
Bottle Deposits	56,341	24,273	25,820	-0-	2,633	52,161	26	52,135
State Construction Code	2,574	9,038	8,926	-0-	120	2,566	13	2,553
Children's Trust	1,478	9,508	8,341	-0-	10	2,635	3	2,632
State Casino Gaming	11,000	37,537	27,401	4,106	11,900	13,342	1	13,341
Homeowner Construction Lien Recovery	208	15	-0-	-0-	-0-	222	-0-	222
Michigan Nongame Fish and Wildlife	723	1,962	1,021	-0-	5	1,659	-0-	1,659
21st Century Jobs Trust	274,682	75,000	160,874	99,000	-0-	287,808	-0-	287,808
Michigan Merit Award Trust	75,754	98,523	112,383	-0-	25	61,869	-0-	61,869
Outdoor Recreation Legacy	2,039	2,013	2,780	1,030	29	2,274	1	2,273
Off-Road Vehicle	6,517	7,341	4,985	-0-	42	8,830	16	8,814
Snowmobile	8,326	7,921	9,246	2,404	35	9,371	-0-	9,371
Michigan Settlement Administration Authority	194,803	-0-	194,803	-0-	-0-	-0-	-0-	-0-
Unemployment Obligation Trust	2,502	466,617	468,110	-0-	-0-	1,009	-0-	1,009
State Building Authority Advance Financing	(7,984)	216,030	214,877	-0-	-0-	(6,831)	-0-	(6,831)
Michigan Strategic	122,487	197,881	161,107	-0-	-0-	159,261	210	159,051
Land Bank Fast Track Authority	7,235	5,298	8,857	-0-	-0-	3,676	96	3,580
Jobs for Michigan Investment	141,078	197,928	186,150	-0-	-0-	152,857	131	152,726
Workforce Development Agency	3,402	255,932	255,058	-0-	-0-	4,277	-0-	4,277
Michigan Finance Authority - School Loan Revolving	265,173	542,212	182,021	-0-	-0-	625,364	-0-	625,364
State Building Authority - Capital Project	(17)	-0-	(49)	-0-	7	25	-0-	25
Total Special Revenue	\$ 2,425,637	\$ 6,194,420	\$ 5,828,296	\$ 1,187,149	\$ 1,313,405	\$ 2,665,504	\$ 3,400	\$ 2,662,104

Table 4



Continued... (In Thousands of Dollars)

Fund	Cash Balances 10-1-14	Receipts ^(a)	Disbursements ^(b)	Transfers In	Transfers Out	Cash Balances 9-30-15	Warrants Outstanding	Available Balances 9-30-15
BOND AND DEBT SERVICE								
Clean Michigan Initiative Bond								
- Local Projects	\$ 111	\$ -0-	\$ 29	\$ -0-	\$ -0-	\$ 82	\$ -0-	\$ 82
1994 State Trunkline Bond Proceeds	(1)	-0-	-0-	-0-	-0-	(1)	-0-	(1)
State Trunkline Bond Proceeds	28,095	55,046	17,024	-0-	45,726	20,390	1	20,389
Build Michigan II								
- GARVEE Note Proceeds	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Comprehensive Transportation Bond Proceeds	11,765	13	1,783	-0-	-0-	9,994	11	9,983
Combined State Trunkline Bond and Interest Redemption	298	-0-	213,664	213,366	-0-	-0-	-0-	-0-
Combined Comprehensive Transportation Bond and Interest Redemption	-0-	34,588	57,739	23,176	-0-	25	-0-	25
Recreation and Environmental Protection Bond Redemption	1,572	422	150,021	150,045	-0-	2,019	-0-	2,019
School Loan Bond Redemption	-0-	-0-	125,915	125,915	-0-	-0-	-0-	-0-
State Building Authority - Debt Service	(457)	-0-	(457)	-0-	-0-	-0-	-0-	-0-
Total Bond and Debt Service	\$ 41,383	\$ 90,069	\$ 565,719	\$ 512,503	\$ 45,726	\$ 32,510	\$ 13	\$ 32,497
ENTERPRISE								
Liquor Purchasing Revolving	\$ 71,525	\$ 1,019,517	\$ 817,960	\$ -0-	\$ 195,720	\$ 77,362	\$ 3,231	\$ 74,131
State Lottery	3,608	1,271,052	479,151	-0-	790,963	4,545	1,808	2,737
Michigan State Housing Development Authority	-0-	51,767	51,767	-0-	-0-	-0-	-0-	-0-
Michigan Finance Authority - State Water Revolving	33	157,871	157,859	-0-	-0-	45	-0-	45
Total Enterprise	\$ 75,166	\$ 2,500,207	\$ 1,506,737	\$ -0-	\$ 986,683	\$ 81,953	\$ 5,039	\$ 76,914
INTERNAL SERVICE								
Correctional Industries Revolving	\$ (6,569)	\$ 20,265	\$ 17,631	\$ -0-	\$ 167	\$ (4,102)	\$ 60	\$ (4,162)
Motor Transport	7,740	66,963	65,403	-0-	63	9,237	10	9,227
Office Services Revolving	6,588	163,611	160,091	-0-	213	9,895	-0-	9,895
Information Technology	4,953	773,896	757,954	-0-	6,488	14,407	282	14,125
Risk Management	12,880	31,489	30,993	-0-	27	13,349	-0-	13,349
State Sponsored Group Insurance	297,425	707,007	704,314	-0-	-0-	300,118	3	300,115
Total Internal Service	\$ 323,017	\$ 1,763,231	\$ 1,736,386	\$ -0-	\$ 6,958	\$ 342,904	\$ 355	\$ 342,549

Table 4



Concluded... (In Thousands of Dollars)

Fund	Cash Balances 10-1-14	Receipts ^(a)	Disbursements ^(b)	Transfers In	Transfers Out	Cash Balances 9-30-15	Warrants Outstanding	Available Balances 9-30-15
RETIREMENT								
Legislative	\$ 1,421	\$ 66,884	\$ 67,121	\$ -0-	\$ -0-	\$ 1,185	\$ 18	\$ 1,167
State Police	14,125	615,193	624,650	-0-	2	4,666	4	4,662
State Employees'	134,291	6,344,758	6,473,618	-0-	34	5,396	33	5,363
Public School Employees'	246,675	21,852,580	21,935,423	-0-	191	163,640	630	163,010
Judges'	5,041	130,228	131,797	-0-	-0-	3,471	-0-	3,471
Total Retirement	\$ 401,552	\$ 29,009,642	\$ 29,232,609	\$ -0-	\$ 228	\$ 178,357	\$ 684	\$ 177,673
TRUST AND AGENCY								
Michigan Employment Security Act Contingent	\$ 63,897	\$ 47,703	\$ 5	\$ -0-	\$ 1,087	\$ 110,508	\$ -0-	\$ 110,508
Military Family Relief	2,446	107	93	-0-	-0-	2,461	-0-	2,461
IntraState Switched Toll Restructuring	483	15,888	16,506	-0-	8	(142)	-0-	(142)
Children's Institute Trust	103	-0-	-0-	-0-	-0-	103	-0-	103
Abandoned and Unclaimed Property (Escheats)	86,958	252,494	207,006	-0-	-0-	132,447	4,199	128,248
Gifts, Bequests and Deposits Investment	15,661	83,013	79,560	-0-	-0-	19,113	327	18,786
Silicosis, Dust Disease, and Logging Industry Compensation	1,573	1,607	1,372	-0-	5	1,803	46	1,757
Second Injury	13,698	11,651	11,762	-0-	23	13,563	254	13,309
Hospital Patients	97	641	620	-0-	-0-	118	1	117
Self-Insurers' Security	33,445	2,017	11,277	8,000	14	32,171	314	31,857
State Employees' Deferred Comp. I (457)	616	42,500	42,729	-0-	-0-	388	-0-	388
State Employees' Deferred Comp. II (401K)	680	50,272	50,527	-0-	-0-	425	-0-	425
State of Michigan MPSERS DC 457	3,621	77,136	75,956	-0-	-0-	4,801	-0-	4,801
State Employees' Defined Contribution Plan	418	264,097	264,314	-0-	-0-	201	-0-	201
Special Assessment Deferment	2,286	215	6	-0-	-0-	2,495	-0-	2,495
Environmental Quality Deposits	3,610	(777)	96	-0-	-0-	2,737	-0-	2,737
Insurance Carrier Deposits	2,845	47,551	50,001	-0-	-0-	395	-0-	395
Utility Consumer Representation	2,328	720	1,544	-0-	6	1,498	8	1,490
Transportation Related	2,342	330,222	341,278	-0-	-0-	(8,714)	423	(9,137)
State of Michigan MPSERS DC 401K	299	1,488	425	-0-	-0-	1,362	-0-	1,362
State of Michigan Personal Health Care	273	4,858	4,990	-0-	-0-	140	-0-	140
Social Welfare	191	3,135	1,844	-0-	-0-	1,482	23	1,459
Total Trust and Agency	\$ 237,869	\$ 1,236,538	\$ 1,161,909	\$ 8,000	\$ 1,143	\$ 319,355	\$ 5,595	\$ 313,760
GRAND TOTALS	\$ 4,933,972	\$ 96,075,198	\$ 96,016,696	\$ 2,777,163	\$ 2,777,163	\$ 4,992,474	\$ 70,047	\$ 4,922,427

(a) Receipts include \$21,777.2 million of securities sold and matured.

(b) Disbursements include \$19,181.8 million of securities purchased.

(c) In accordance with Governmental Accounting Standards Board (GASB) Statement No. 54 Fund Balance Reporting and Governmental Fund Type Definition, the Budget Stabilization Fund is a committed subfund of the General Fund.

Table 5



Demand Depositories as of September 30, 2015 (In Thousands of Dollars)

City	Depository Bank	Deposits ^(a)	City	Depository Bank	Deposits ^(a)
Adrian	First Federal Bank	\$ 157	Ishpeming	Peninsula Bank	15
Baldwin	Lake Osceola State Bank	18	Lansing	Bank of America-Credit Card Bank of America-Main Account	0 4,742
Cheboygan	Citizens National Bank	151	Lapeer	Lapeer County Bank and Trust	99
Chelsea	Chelsea State Bank	126	Manistique	mBank	126
Coldwater	Century Bank and Trust Southern Michigan National Bank	110 177	Marquette	Wells Fargo Bank, Michigan	18,261
Croswell	Eastern Michigan Bank	174	Mason	Mason State Bank	5,127
Crystal Falls	First National Bank	73	Midland	Chemical Bank and Trust	3,241
Detroit	JPMorgan Chase-Income Tax JPMorgan Chase-Main Acct. Comerica Bank - Detroit Comerica Bank - ACH Service	0 1,251,835 7,474 0	Monroe	Monroe Bank and Trust	1,102
East Tawas	Huron Community Bank	51	Munising	Peoples State Bank of Munising	77
Escanaba	Upper Peninsula State Bank	57	Newberry	Tahquamenon Area Credit Union	40
Ewen	State Bank of Ewen	21	Norway	First National Bank	6
Flint	FirstMerit Bank	12,358	Ontonagon	Citizens State Bank	37
Gladstone	First Bank Upper Michigan	18	Port Austin	Port Austin State Bank	5
Grand Rapids	Fifth Third Bank	1,939	St. Charles	Community State Bank	61
Hancock	Superior National Bank and Trust	224	St. Ignace	First National Bank	30
Hillsdale	Hillsdale County National Bank	46	Sault Ste. Marie	Central Savings Bank Soo Co-Op Credit Union	64 2
Honor	The Honor State Bank	48	Shelby	Shelby State Bank	173
Ionia	Independent Bank First Bank, West Michigan	239 101	Stockbridge	SSBBank	3
Iron Mountain	First National Bank of Iron Mountain	56	Wakefield	First National Bank	46
			Zeeland	Huntington National Bank	1,944
			Total		\$ 1,310,654

(a) Deposits represent the account balance reported on bank statements and include deposits which are in the process of being collected through the banking system. Deposits are rounded to the nearest thousand and are secured by \$4,395,384,000 of collateral.

Bonds and Notes

The Michigan Constitution limits State general obligation debt to (1) short-term debt for State operating purposes, (2) short- and long-term debt for the purpose of making loans to school districts, and (3) long-term debt for voter-approved purposes.

Short-term debt for operating purposes is limited to an amount not in excess of 15 percent of undedicated revenues received during the preceding fiscal year (FY). Under the Michigan Constitution, as implemented by statutory provisions, such debt must be authorized by the State Administrative Board and issued only to meet obligations incurred pursuant to appropriation and must be repaid during the FY in which it was incurred. Such debt does not require voter approval.

The amount of debt incurred by the State for the purpose of making loans to school districts is recommended by the State Treasurer, who certifies the amounts necessary for loans to school districts semiannually. The bonds may be issued in whatever amount is required without voter approval. All other general obligation bonds issued by the State must be approved as to amount, purpose, and method of payment by a two-thirds vote of each house of the Legislature and by a majority vote of the public at a general election.

There is no limitation as to number or size of such general obligation issues.

General Obligation Debt

All current general obligation bond and note issues are presented in Table 6, *General Obligation Debt, Bond, and Note Payments*. During FY 2015, the State issued \$129.1 million to refund existing debt.

Special Authority Revenue Bond Debt

Certain governmental authorities issue revenue bonds for construction projects and to acquire or build facilities for the State or its institutions of higher learning. These bonds, as shown in Table 7, *Special Authority Revenue Bond Debt*, are obligations of the individual authorities and are not a general obligation of the State.

Special Revenue Debt

The State periodically issues long-term bonds for specific purposes, as presented in Table 10, *Special Revenue Debt, Bond, and Note Payments*. These issues are not supported by the State's general credit, and their financing comes strictly from the designated revenue sources.

Table 6



General Obligation Debt, Bond, and Note Payments (In Thousands of Dollars)

Item		Issue Date	Maturity Dates	New Issues	Refunded Principal	Principal Payments	Interest Payments	Outstanding Principal as of 9-30-15
School Bond Loan ^(a)	Series 2001 (Refunding)	2001	2002-2016	\$ -0-	\$ -0-	\$ 13,385	\$ 1,145	\$ 14,130 *
	Series 2002 (Refunding)	2002	2003-2015	-0-	-0-	15,865	850	7,525 *
	Series 2008A (Refunding)	2008	2012-2023	-0-	-0-	-0-	5,904	116,035 *
	Series 2009A	2009	2015-2020	-0-	-0-	-0-	6,840	103,725
	Series 2009A (Refunding)	2009	2015-2020	-0-	-0-	-0-	6,617	100,355
	Series 2009B (Refunding)	2009	2010-2030	-0-	-0-	9,558	3,552	25,779 *
	Series 2010B (Refunding)	2010	2016-2020	-0-	-0-	-0-	1,623	43,460
	Series 2010B	2010	2016-2020	-0-	-0-	-0-	1,507	40,365
	Series 2011A	2011	2014-2023	-0-	-0-	22,400	5,405	119,800
	Series 2011B	2011	2022	-0-	-0-	-0-	1,114	30,110
	Series 2012A (Refunding)	2012	2013-2026	-0-	-0-	4,986	1,372	46,832
	Series 2012A	2012	2013-2026	-0-	-0-	13,429	3,694	126,148
	Series 2013A	2013	2024-2033	-0-	-0-	-0-	6,668	200,000
	Environmental Protection ^(b)	Series 2001 (Refunding)	2001	2002-2016	-0-	-0-	14,140	1,129
Series 2002 (Refunding)		2002	2004-2015	-0-	-0-	31,200	1,269	7,475
Series 2005B (Refunding)		2005	2013-2016	-0-	-0-	3,135	1,308	24,600
Series 2005B (Refunding)		2005	2019-2021	-0-	7,939	-0-	397	-0-
Series 2006A		2006	2014-2026	-0-	21,000	1,335	1,099	1,570 *
Series 2008A (Refunding)		2008	2011-2019	-0-	-0-	5,280	3,409	43,329
Series 2010A (Refunding)		2010	2012-2020	-0-	-0-	755	325	6,722
Series 2010B (Refunding)		2010	2013-2015	-0-	-0-	13,101	609	14,279
Series 2012 (Refunding)		2012	2016-2020	-0-	-0-	-0-	1,227	27,359
Series 2015A (Refunding)		2015	2017-2026	26,063	-0-	-0-	-0-	26,063
Recreation ^(c)		Series 2010B (Refunding)	2010	2013-2015	-0-	-0-	1,092	14
Clean Michigan Initiative ^(d)	Series 2002 (Refunding)	2002	2004-2016	-0-	-0-	6,035	1,898	31,500
	Series 2005A	2005	2017-2021	-0-	18,870	-0-	579	-0-
	Series 2005A (Refunding)	2005	2017-2018	-0-	-0-	-0-	364	-0- *
	Series 2005B (Refunding)	2005	2019-2021	-0-	96	-0-	5	-0- *
	Series 2006A	2006	2014-2026	-0-	67,200	4,265	3,517	5,030
	Series 2008A	2008	2011-2019	-0-	-0-	1,655	457	7,480
	Series 2008A (Refunding)	2008	2011-2019	-0-	-0-	10,720	3,922	87,971
	Series 2008B	2008	2011-2019	-0-	-0-	821	222	3,705
	Series 2009A	2009	2022-2026	-0-	-0-	-0-	2,620	46,355
	Series 2010A (Refunding)	2010	2012-2020	-0-	-0-	3,220	1,386	28,658
	Series 2010B (Refunding)	2010	2013-2015	-0-	-0-	8,097	268	8,825
	Series 2010B	2010	2013-2015	-0-	-0-	3,323	131	3,623
	Series 2011A	2011	2021-2025	-0-	-0-	-0-	369	9,617
	Series 2011B	2011	2013-2020	-0-	-0-	-0-	167	5,509
	Series 2011B (Refunding)	2011	2013-2020	-0-	-0-	-0-	110	3,613
	Series 2012 (Refunding)	2012	2016-2020	-0-	-0-	-0-	2,913	64,946
	Series 2015A (Refunding)	2015	2017-2026	78,002	-0-	-0-	-0-	78,002
Great Lakes Water Quality Bonds ^{(e) (f)}	SWQIF 2003	2003	2053	-0-	-0-	-0-	-0-	6,000
	Series 2008B (SWQIF)	2008	2011-2019	-0-	-0-	274	74	1,235
	Series 2009A (Refunding)	2009	2022-2026	-0-	-0-	-0-	1,005	17,780
	Series 2010B (Refunding)	2010	2013-2015	-0-	-0-	455	4	496
	Series 2010B	2010	2013-2015	-0-	-0-	3,323	131	3,623
	Series 2011A	2011	2021-2025	-0-	-0-	-0-	925	24,123
	Series 2011A (Refunding)	2011	2021-2025	-0-	-0-	-0-	395	10,295
	Series 2011B (Refunding)	2011	2013-2020	-0-	-0-	-0-	618	20,394
	Series 2013A (Refunding)	2013	2015	-0-	30,000	-0-	120	-0-
	Series 2014A	2014	2024-2029	-0-	-0-	-0-	2,986	65,140
	Series 2014B	2014	2027	-0-	-0-	-0-	663	20,155
	Series 2015A (Refunding)	2015	2027-2029	25,050	-0-	-0-	-0-	25,050
Total General Obligation Debt				129,115	145,105	191,848	82,924	1,719,424

(a) P.A. 112 of 1961 as amended, provides that the State may borrow from time to time such amounts as shall be required for the purpose of making loans to school districts. Requirements are determined semiannually and general obligation debt is issued as needed.

(b) P.A. 328 of 1988, provided for the issuance of \$660 million General Obligation Bonds, of which \$8.5 million remains.

(c) P.A. 329 of 1988, provided for the issuance of \$140 million General Obligation bonds, all of which have been issued.

(d) P.A. 284 of 1998 and P.A. 451 of 1994 as amended, provided for the issuance of \$675 million General Obligation bonds, of which \$80.4 million remains.

(e) P.A. 396 of 2002 provided for the issuance of \$1.0 billion General Obligation Bonds, of which \$687.5 million remains.

(f) On December 18, 2003, the State issued \$100 million in general obligation Great Lakes Water Quality Bonds pursuant to voter authorization which were placed with a State Authority. To date, the State has recognized \$10.0 million of this as a liability on the State of Michigan Comprehensive Annual Financial Report of which \$6.0 million remains outstanding.

* All or part of the principal amount not presented and not represented in the totals due to the advanced refunding of all or part of this obligation. The table below summarizes the advanced refunding activity by type of bond.

Series	Advanced Refunded From Series	Amount Refunded	FY 15 Paid From Escrow Principal	FY 15 Escrow Interest	FY 15 Escrow Balance
General Obligation Debt:					
Environmental Protection	2012, 2015	\$ 36,588	\$ -0-	\$ 1,428	\$ 37,503
Clean Michigan Initiative	2012, 2015	175,317	-0-	3,412	179,501
Great Lakes Water Quality	2015	30,000	-0-	-0-	30,060
		\$ 241,905	\$ -0-	\$ 4,840	\$ 247,064

Table 7



Special Authority Revenue Bond Debt ^(a) (In Thousands of Dollars)

Item	New Issues	Principal Payments	Interest Payments	Outstanding Principal as of 9-30-15
Mackinac Island State Park Commission	\$ -0-	\$ 50	\$ 80	\$ 1,685
Michigan State Housing Development Authority ^(b)	233,580	160,905	73,950	2,092,780
Michigan Finance Authority ^(c)	4,814,079	3,752,353	587,948	18,556,416 *
Michigan State Building Authority ^(d)	989,340	139,527	121,735	3,107,035 *
Total Special Authority Debt	\$ 6,036,999	\$ 4,052,835	\$ 783,713	\$ 23,757,916

* All or part of the principal amount not presented, and not represented in the totals due to the advance refunding of all or part of this obligation.

(a) Information in the table is provided by each Authority.

(b) The new issues include \$233.6 million of new bond issues for the year. Amounts are as of September 30, 2015.

(c) Balance does not include obligations that have been advanced refunded. The escrow principal liability as of September 30, 2015, was \$1,017.8 million. Executive Order 2010-2 consolidated 10 public finance authorities under the Michigan Finance Authority.

(d) Balance does not include obligations that have been advanced refunded. The escrow principal liability as of September 30, 2015, was \$121.6 million. Also, outstanding principal does not include commercial paper notes issued by the Authority. As of September 30, 2015, \$32.4 million of commercial paper notes was outstanding. Includes capital appreciation bonds reported with an ultimate maturity value of \$443.4 million. The accreted value as of September 30, 2015, is \$306.4 million.

Michigan Finance Authority Debt by Program	New Issues	Principal Payments	Interest Payments	Outstanding Principal as of 9-30-15
Health	\$ 1,921,795	\$ 1,269,180	\$ 217,660	\$ 6,335,181
Higher Education	113,190	131,707	10,842	523,110
Municipal	2,254,619	1,366,820	156,847	7,245,493
Public School Academies	39,035	57,725	16,412	280,110
Tobacco	-0-	5,785	58,334	1,113,951
Private K-12	5,840	N/A	N/A	85,929
Student Loan	479,600	570,545	8,582	865,802
Unemployment	-0-	350,590	110,270	2,106,840
Total Michigan Finance Authority Debt	\$ 4,814,079	\$ 3,752,352	\$ 578,947	\$ 18,556,416

Table 8



General Obligation Bond Payment Schedule (In Thousands of Dollars)

For Period Ended			
September 30,	Principal	Interest	Total ^(a)
2016	201,087	73,462	274,549
2017	184,311	68,617	252,928
2018	165,413	59,490	224,903
2019	169,738	51,244	220,982
2020	138,949	42,876	181,824
2021	145,970	36,016	181,986
2022	121,654	30,506	152,160
2023	114,933	23,784	138,717
2024	76,645	19,714	96,359
2025	80,720	15,640	96,359
2026	84,042	12,320	96,362
2027	45,911	9,519	55,430
2028	45,936	7,766	53,702
2029	47,882	5,647	53,529
2030	22,809	12,153	34,962
2031	21,640	2,496	24,136
2032	22,455	1,717	24,172
2033	23,330	887	24,217
2034	-0-	-0-	-0-
2035	-0-	-0-	-0-
Thereafter ^(b)	6,000	-0-	6,000
Total	\$ 1,719,424	\$473,853	\$2,193,277

(a) May not add to total due to rounding.

(b) On December 18, 2003, the State issued \$100 million in general obligation Great Lakes Water Quality Bonds pursuant to voter authorization which were placed with a State Authority. To date, the State has recognized \$10.0 million of this as a liability on the State of Michigan Comprehensive Annual Financial Report, of which \$6.0 million remains outstanding.

Table 9



Bonds and Notes Payable by Fiscal Year (In Thousands of Dollars)

Item	Outstanding on September 30,				
	2011	2012	2013	2014	2015
GENERAL OBLIGATION DEBT					
School Bond Loan	\$ 861,920	\$ 1,003,578	\$ 1,130,893	\$ 1,053,887	\$ 974,264 *
Environmental Protection	406,494	361,634	302,269	236,669	164,848 *
Recreation	10,296	6,891	3,306	2,282	1,190
Clean Michigan Initiative	523,386	503,319	468,132	431,132	384,832 *
Great Lakes Water Quality Bonds	67,611	127,826	127,573	203,291	194,290
Total General Obligation Debt	\$ 1,869,707	\$ 2,003,248	\$ 2,032,173	\$ 1,927,262	\$ 1,719,424
NON-GENERAL OBLIGATION DEBT					
Michigan Department of Transportation Tax					
Dedicated Bonds	\$ 1,511,685	\$ 1,484,405	\$ 1,371,660	\$ 1,235,440	\$ 1,104,810 ^{*(c)}
MDOT Grant Anticipation Bonds	749,155	741,455	733,410	724,960	716,305
Michigan Department of Natural Resources					
State Park Revenue Bonds	10,900	10,200	9,465	8,700	7,900
Special Authorities-Revenue Bonds and Notes: ^(a)					
Mackinac Island State Park Commission	1,885	1,835	1,785	1,735	1,685
Michigan State Housing Development Authority	2,474,150	2,338,620	2,114,642	2,020,105	2,092,780
Michigan State Building Authority	3,175,339	3,103,332	3,181,564	3,105,869	3,107,035 *
Michigan Finance Authority ^(b)	14,048,108	17,106,980	16,079,319	17,537,276	18,556,416 *
Total Non-General Obligation Debt	\$ 21,971,222	\$ 24,786,827	\$ 23,491,845	\$ 24,634,085	\$ 25,586,931

* All or part of the principal amount not presented, and not represented in the totals due to the advance refunding of all or part of this obligation.

(a) Does not include the activity of the Michigan Strategic Fund.

(b) Executive Order 2010-2 consolidated 10 public finance authorities under the Michigan Finance Authority: Michigan Municipal Bond Authority, Michigan State Hospital Finance Authority; Michigan Higher Education Facilities Authority; Michigan Higher Education Assistance Authority; Michigan Higher Education Student Loan Authority; Michigan Public Educational Facilities Authority; Michigan Tobacco Settlement Finance Authority; Michigan Underground Storage Tank Financial Assurance Authority; Michigan State Higher Education Facilities Commission; Michigan Forest Finance Authority.

(c) Table 9 MDOT Tax Dedicated Bonds Outstanding on September 30, 2009, through 2012 include accumulated accretion.

Table 10



Special Revenue Debt, Bond, and Note Payments (In Thousands of Dollars)

Item	Issue Date	Maturity Dates	Amount Issued	Refunded Principal	Principal Payments	Interest Payments	Outstanding Principal as of 9-30-15	
Michigan Department of Transportation								
Tax Dedicated Bonds Michigan								
Comprehensive Transportation	RF. Series 2005	2005	2023	\$ 62,180	-0-	\$ 4,550	\$ 2,822	\$ 49,200
	New & RF. Series 2006	2006	2031	53,685	-0-	1,105	1,717	1,155
	RF. Series 2009	2009	2019	42,335	-0-	6,745	1,726	30,125
	RF. Series 2011	2011	2021	18,470	-0-	1,710	703	14,310
	RF. Series 2013	2013	2022	10,130	-0-	1,750	381	7,355
	RF. Series 2015	2015	2031	29,380	32,755	-0-	-0-	29,380
State Trunkline Fund								
	RF. SR. 1998-A	1998	2026	377,890	-0-	25,165	7,245	120,920
	RF. SR. 2004	2004	2021	103,450	-0-	8,555	3,998	73,835 *
	RF. SR. 2005	2005	2022	223,020	-0-	15,825	11,295	207,190
	RF. SR. 2005B	2005	2019	378,250	-0-	38,510	1,926	-0-
	Series 2006	2006	2021	244,525	-0-	15,935	2,136	34,315
	New & RF. SR 2009	2009	2026	146,190	-0-	-0-	7,299	146,190
	Series 2011	2011	2036	90,980	-0-	2,220	4,198	86,605
	RF. SR 2012	2012	2021	49,305	-0-	5,185	2,087	39,145
	RF. SR 2014	2014	2021	265,085	-0-	-0-	8,538	265,085
MDOT Grant Anticipation Bonds								
	Series 2007	2007	2027	485,115	-0-	8,655	23,099	434,400
	Series 2009	2009	2027	281,910	-0-	-0-	21,495	281,905
Michigan Department of Natural Resources State Park Revenue Bonds								
	Series 2002	2002	2022	15,500	-0-	800	350	7,900
Total Special Revenue Debt					\$32,755	\$136,710	\$101,014	\$1,829,015

* All or part of the principal amount not presented and not represented in the totals due to the advance refunding of all or part of this obligation. The table below summarizes the advance refunding activity by type of bond.

Series	Advanced Refunded from Series	Amount Refunded	FY15 Paid from Escrow Principal	FY 15 Escrow Interest	FY 15 Escrow Balance
Special Revenue Debt:					
Comprehensive Transportation	2015	\$ 32,755	-0-	-0-	\$ 34,381
Trunkline Transportation	2014	\$275,040	\$173,020	\$12,941	\$109,672
		\$307,795	\$173,020	\$12,941	\$144,053

State Tax Collections

State taxes and fees totaling \$23,536,669 (in thousands) were collected during fiscal year 2015, which is an increase of 5.56% from the previous fiscal year.

Major tax collections for fiscal year 2015 and the previous

four years are detailed in Table 11, *Treasury Administered Taxes and Fees Collected on a Cash Basis*, below.

Table 12, *Michigan State Taxes*, identifies all Michigan taxes and gives administrative information about each.

Table 11



Treasury Administered Taxes and Fees Collected on a Cash Basis

(In Thousands of Dollars)

Type of Revenue	10-1-10 to 9-30-11	10-1-11 to 9-30-12	10-1-12 to 9-30-13	10-1-13 to 9-30-14	10-1-14 to 9-30-15
Income Tax:					
Withholding Tax	\$ 7,140,486	\$ 7,632,437	\$ 7,849,363	\$ 8,073,344	\$ 8,470,585
Individual Income Tax	710,669	693,034	1,133,565	805,955	936,455
Individual Income Tax Estimates	629,294	748,278	865,393	878,563	1,034,436
Individual Income Tax Penalty and Interest	32,160	31,376	30,312	33,893	38,354
Gross Individual Income Tax Collections	8,512,610	9,105,126	9,878,634	9,791,755	10,479,830
Tax Refunds and Tax Credits	(2,185,609)	(2,171,274)	(1,667,275)	(1,753,456)	(1,744,525)
Net Individual Income Tax	\$ 6,327,001	\$ 6,933,852	\$ 8,211,359	\$ 8,038,299	\$ 8,735,305
Single Business Tax ^(a)	63,550	38,329	20,517	23,337	19,015
Single Business Tax Penalty and Interest	30,544	12,638	19,154	513	3,441
Gross Single Business Tax	94,094	50,968	39,671	23,850	22,456
Tax Refunds	(\$33,289)	(38,860)	(32,600)	(68,188)	(16,290)
Net Single Business Tax	\$ 60,805	\$ 12,108	\$ 7,071	\$ (44,338)	\$ 6,166
Michigan Business Tax ^(a)	2,453,576	1,644,573	394,042	98,232	125,229
Michigan Business Tax Penalty and Interest	37,968	69,193	54,925	15,858	18,132
Gross Michigan Business Tax	2,491,544	1,713,766	448,967	114,090	143,361
Tax Refunds	(358,115)	(457,919)	(576,284)	(724,097)	(985,036)
Net Michigan Business Tax	\$ 2,133,429	\$ 1,255,847	\$ (127,317)	\$ (610,007)	\$ (841,675)
Corporate Income Tax ^(a)	-0-	399,795	830,007	1,061,552	1,151,609
Corporate Income Tax Penalty and Interest	-0-	27	2,635	9,464	12,800
Gross Corporate Income Tax	-0-	399,822	832,642	1,071,016	1,164,409
Tax Refunds	-0-	-0-	(24,837)	(129,390)	(119,992)
Net Corporate Business Tax	\$ -0-	\$ 399,822	\$ 807,806	\$ 941,626	\$ 1,044,417
Airport Parking Tax	20,185	20,585	21,165	22,275	24,810
Airport Parking Tax Penalty and Interest	-0-	-0-	-0-	-0-	\$5
Cigarette - Tobacco Products Tax	913,760	904,517	892,329	857,700	865,928
Cigarette - Tobacco Products Tax Penalty and Interest	386	376	675	133	172
Commercial Mobile Radio Service Tax	27,825	28,039	28,515	27,964	28,827
Convention Facility Tax	17,202	18,578	19,848	21,759	23,606
Convention Facility Tax Penalty and Interest	36	55	34	44	25
Environmental Protection Regulatory Fee	51,123	51,006	50,582	54,393	53,420
Estate Tax ^(b)	43	237	(23)	31	-0-
Flow Through Withholding Tax ^(e)	-0-	35,982	207,735	131,687	143,147
Flow Through Withholding Tax Penalty and Interest	-0-	-0-	455	1,181	1,750
Gas and Oil Privilege Fee	6,780	10,843	9,134	10,891	6,595
Gas and Oil Severance Tax	62,063	53,785	59,618	64,531	32,922
Health Insurance Claims Assessment Tax ^(f)	-0-	112,360	268,447	277,030	228,573
Industrial/Commercial Facilities Tax	43,866	37,160	35,020	33,474	35,133
Inheritance Tax ^(b)	13	8	19	304	(136)
Insurance - Retaliatory Tax	272,701	293,555	291,523	339,534	361,229
Intangibles Tax ^(c)	9	-0-	1	-0-	-0-
Motor Fuel Taxes	960,852	955,283	957,610	966,904	995,092
Non-Cigarette - Tobacco Products Tax	58,175	65,771	64,777	73,051	77,481
Real Estate Transfer Tax	118,232	143,851	191,881	219,647	264,752
Sales Tax	6,688,593	6,922,040	7,197,816	7,232,030	7,296,218
Sales, Use, and Withholding Penalty and Interest	41,262	42,178	42,898	36,625	43,616
State Education Tax	1,956,753	1,780,635	1,745,870	1,797,186	1,841,399
State Housing Development Service Fee	12,453	9,855	12,667	17,919	12,523
Use Tax	1,621,056	1,355,875	1,292,590	1,584,555	2,060,829
Utility Property Tax	59,932	61,507	53,664	50,207	47,331
Other Taxes and Fees ^(d)	129,767	166,862	152,229	149,610	147,209
TOTAL	\$ 21,584,303	\$ 21,661,988	\$ 22,495,995	\$ 22,296,245	\$ 23,536,669

(a) Public Act 325 of 2006 repealed the Single Business Tax, effective December 31, 2007. It was replaced by the Michigan Business Tax, enacted in Public Act 36 of 2007, effective January 1, 2008. Repealed and replaced by Corporate Income Tax in 2012 per P.A. 39 of 2011.

(b) Public Act 54 of 1993 replaced the Inheritance Tax for dates of death after September 30, 1993, with the Estate Tax.

(c) Public Act 5 of 1995 repealed Public Act 301 of 1939 regarding collection of Intangible Taxes.

(d) Includes Assessor's Training & Certification Fees, Garnishments Fees, Court Fines, Fees & Assessments, Driver Responsibility Fees, Trailer Coach Parks Specific Tax, Commercial Forest Tax and Low Grade Iron Ore Specific Tax.

(e) New in 2012, per Public Act 15 of 2013.

(f) New in 2012, per Public Act 142 of 2011.

Table 12



Michigan State Taxes (In Thousands of Dollars)

Tax Source	Year Adopted	Department Administered by	Payment Deadline	Net Cash Receipts 10-1-14 to 9-30-15	Disposition
Aircraft Registration	1923	Transportation	August 1	344	State Aeronautics Fund
Airport Parking	1987	Treasury	15th of each month	24,810	State Aeronautics Fund; Specific Local Units
Aviation Fuel	1929	Treasury	20th of each month	6,321	State Aeronautics Fund
Beer & Wine Excise	1933	Licensing and Regulatory Affairs	Monthly reports and/or stamps	44,692	General Fund
Casino Wagering	1999	Education	Daily	110,528	School Aid Fund, General Fund
Cigarette - Tobacco Products	1947	Treasury	20th of each month	865,928	41.6% to School Aid Fund, 19.8% to General Fund, 3.8% to Healthy Michigan Fund, 34.8% to Local Units.
Commercial Mobile Radio Services	1999	Treasury	Last day of February, April, July & October	28,827	Commercial Radio Suppliers and Counties, Public Safety Answering Points
Convention Facility Development	1985	Treasury	15th of each month	23,606	Debt Service for Cobo Hall; Counties
Corporate Income Tax	2012	Treasury	15th of April, July, October and January	1,031,617	General Fund
Corporate Organization	1891	Licensing and Regulatory Affairs	At time of incorporation, admission or increase in stock	22,830	General Fund
Diesel Fuel	1947	Treasury	20th of each month	114,554	Michigan Transportation Fund
Environmental Protection Regulatory	1989	Treasury	10th and 25th of each month	53,420	First \$20 million to Leaking Underground Storage Tank Cleanup Fund. Remaining to General Fund. PA 416, 2014.
Estate	1994	Treasury	Nine months following date of death	0	General Fund
Flow Through Withholding	2012	Treasury	15th of April, July, October and January	143,147	General Fund with 23.808% to School Aid Fund
Gas and Oil Privilege Fee	1973	Treasury	25th of each month	6,595	General Fund
Gas and Oil Severance	1929	Treasury	25th of each month	32,922	General Fund
Gasoline	1925	Treasury	20th of each month	853,788	Michigan Transportation Fund
Health Insurance Claims Assessment Tax	2012	Treasury	30th of April, July, October and January	228,573	Health Insurance Claims Assessment Fund
Horse Race Wagering	1933	Agriculture	At end of each day's racing	3,923	Agriculture Equine Industry Development Fund
Individual Income	1967	Treasury	April 15	8,049,671	General Fund with 23.808% to School Aid Fund
Industrial/Commercial Facilities	1974	Treasury	December 1	35,133	Local Units and School Aid Fund
Inheritance	1899	Treasury	Within 105 days after death, except contingent transfers-due at vesting	(136)	General Fund
Insurance Company Retaliatory Intangibles	1987	Treasury	Last day of April, July, October & January	361,229	General Fund
	1939	Treasury	April 30 or last day of 4th month after end of taxpayer's tax year	0	General Fund
Liquified Petroleum Gas	1953	Treasury	20th of each month	419	Michigan Transportation Fund
Liquor - 4% - Tourism and Convention Facility	1985	Licensing and Regulatory Affairs	At the time of sale to retail licensees	49,330	Debt Service for Cobo Hall; Counties
Liquor Excise - 4%	1957	Licensing and Regulatory Affairs	At the time of sale to retail licensees	49,084	School Aid Fund
Liquor Specific - 1.85%*	1972	Licensing and Regulatory Affairs	At the time of sale to retail licensees	0	Liquor Purchase Revolving Fund
Liquor Specific - 4%	1959	Licensing and Regulatory Affairs	At the time of sale to retail licensees	49,576	General Fund
Marine Fuel	1947	Treasury	20th of each month	220	Michigan State Waterways Fund
Michigan Business	2007	Treasury	15th of April, July, October and January	(859,807)	General Fund
Motor Carrier Diesel Fuel	1980	Treasury	Last day of month following close of qtr.	19,739	Michigan Transportation Fund
Motor Carrier's Privilege	1923	Licensing and Regulatory Affairs	December 1	5,958	Truck Driver Safety Fund and Motor Carrier Fees
Motor Vehicle Weight or Value	1905	State	Owner's birthday	981,176	Michigan Transportation Fund
Non-Cigarette - Tobacco Products	1994	Treasury	20th of each month	77,481	75% to Local Units, 25% to General Fund.
Real Estate Transfer	1994	Treasury	County Treasurer remits to State on the 15th in the month after receipt	264,752	School Aid Fund
Sales	1933	Treasury	15th and last day of each month for accelerated filers. 20th day of the month for non-accelerated filers	7,296,218	72.8% to School Aid Fund, 9.9% to General Fund, 1.2% to Comprehensive Transportation Fund, 15.9% to Local Units, 0.1% to Healthy Initiative Fund, 0.1% to Enhanced Enforcement
Single Business	1975	Treasury	April 30, or last day of 4th month after end of taxpayer's tax year	2,725	General Fund
Snowmobile Registration	1968	State	October 1 (every 3rd year)	1,980	Michigan Conservation and Recreation Legacy Fund
State Education	1994	Treasury	County Treasurer remits to State the month after receipt from Local Units	1,841,399	School Aid Fund
Use	1937	Treasury	15th of each month	2,060,829	66.6% to General Fund, 33.4% to School Aid Fund
Utility Property	1905	Treasury	July 1 or 1/2 on Aug. 1, 1/2 on Dec. 1	47,331	General Fund
Watercraft Registration	1967	State	January 1 (every 3rd year)	9,750	Michigan Conservation and Recreation Legacy Fund

*Abolished by the Legislature effective FY2013

Local Property Taxes

Each of Michigan's 83 counties "equalizes" the local property assessments. Equalization ensures that similar properties in different areas are assessed equitably. Following county equalization, the State Tax Commission equalizes among counties.

Local property taxes in Michigan are levied on taxable values (resulting from State equalization) by local units of government: school districts, cities, counties, townships and villages.

Table 13 shows state, county and local equalized valuations for calendar year 2014 and the prior decade. This table also lists the total Taxable Valuation and the average tax rate (millage) for each year. Table 14 shows how property tax dollars are apportioned among the various taxing units.

Michigan taxpayers' local property tax burden is lessened substantially by an income tax credit for property taxes paid.

Table 13



Local Property Tax Valuation, Levies, and Average Rates (In Millions of Dollars)

Calendar Year	Local Assessed Valuation	County Equalized Valuation	State Equalized Valuation	Taxable Valuation	Total Taxes Levied	Average Rate (Mills)	Homestead Average Rate ^(a)	Non-Homestead Average Rate
2014	360,594	360,593	360,593	319,540	13,034	40.79	33.92	51.77
2013	350,023	350,025	350,025	316,726	12,818	40.47	33.53	51.47
2012	349,320	349,306	349,306	315,772	12,757	40.40	33.47	51.24
2011	362,765	362,775	362,775	323,616	12,946	40.00	33.68	50.97
2010	385,115	385,050	385,050	336,845	13,374	39.70	33.13	50.40
2009	423,892	423,901	423,901	360,567	14,110	39.13	32.86	51.09
2008	448,112	448,140	448,140	363,225	14,144	38.94	33.14	50.94
2007	453,058	453,109	453,109	357,298	14,254	39.89	32.72	51.49
2006	436,294	436,422	436,421	340,334	13,598	39.96	32.66	51.38
2005	415,776	415,796	415,796	321,653	12,827	39.88	32.60	51.38
2004	392,562	392,621	392,622	304,716	12,190	40.00	32.71	50.81

(a) Homesteads include properties which received exemption from school operating millage. Property exemptions included: principal residence, qualified agricultural, qualified forest, supportive housing, property occupied by a public school academy, DNR, and industrial personal property.

Table 14



Distribution of Local Property Taxes (In Thousands of Dollars)

Taxing Unit	Taxes Levied		Percent of Increase
	2013	2014	
City	\$ 2,260,305	\$ 2,286,675	1.17%
County	2,120,402	2,182,713	2.94%
Township	875,385	917,044	4.76%
Village	87,995	89,058	1.21%
School	5,653,526	5,724,104	1.25%
State Education Tax	1,820,027	1,833,970	0.77%
Totals	\$ 12,817,640 ^(a)	\$ 13,033,564 ^(b)	

(a) \$564.4 million of the total property taxes levied in 2013 was refunded to taxpayers through the "circuit breaker" system of property tax credits against State income tax due or as a reimbursement if they exceed the income tax.

(b) \$557.9 million of the total property taxes levied in 2014 was refunded to taxpayers through the "circuit breaker" system of property tax credits against State income tax due or as a reimbursement if they exceed the income tax.

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