



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, 2004
 (In Thousands)

	STATE AERONAUTICS FUND	STATE TRUNKLINE FUND	MICHIGAN TRANSPORTATION FUND	COMPREHENSIVE TRANSPORTATION FUND
ASSETS				
Current Assets:				
Cash	\$ -	\$ 529	\$ -	\$ 12
Equity in common cash	19,343	-	81,974	41,852
Taxes, interest, and penalties receivable	752	-	118,843	-
Amounts due from other funds	-	785,593	106,785	11,612
Amounts due from component units	-	1,204	-	-
Amounts due from federal agencies	24,265	84,545	-	8,326
Amounts due from local units	18,877	21,958	-	905
Inventories	-	5,921	-	-
Other current assets	43	7,851	4,639	1,333
Total Current Assets	<u>63,281</u>	<u>907,603</u>	<u>312,242</u>	<u>64,040</u>
Taxes, interest, and penalties receivable	-	-	1,381	-
Advances to other funds	-	21,689	-	-
Amounts due from local units	650	35,881	-	6,189
Other noncurrent assets	-	1,908	-	1,766
Total Assets	<u>\$ 63,931</u>	<u>\$ 967,081</u>	<u>\$ 313,623</u>	<u>\$ 71,995</u>
LIABILITIES AND FUND BALANCES				
Current Liabilities:				
Warrants outstanding	\$ 927	\$ 12,648	\$ 3,549	\$ 302
Accounts payable and other liabilities	28,815	180,158	238,628	18,376
Amounts due to other funds	35	3,914	52,475	51
Deferred revenue	9,706	14,740	17,589	-
Total Current Liabilities	<u>39,483</u>	<u>211,460</u>	<u>312,242</u>	<u>18,728</u>
Long-Term Liabilities:				
Advances from other funds	-	21,689	-	-
Deferred revenue	-	14,095	1,381	1,766
Total Liabilities	<u>39,483</u>	<u>247,245</u>	<u>313,623</u>	<u>20,495</u>
Fund Balances:				
Reserves for:				
Budgetary carry-forwards:				
Encumbrances	1,739	27,121	-	31,274
Restricted revenues	-	194,967	-	8,190
Multi-year projects	15,748	383,394	-	563
Construction and debt service	-	70,272	-	-
Revolving loan programs	2,200	15,400	-	11,340
Noncurrent assets	-	28,683	-	-
Total Reserved	<u>19,688</u>	<u>719,837</u>	<u>-</u>	<u>51,367</u>
Unreserved	<u>4,760</u>	<u>-</u>	<u>-</u>	<u>133</u>
Total Fund Balances	<u>24,448</u>	<u>719,837</u>	<u>-</u>	<u>51,500</u>
Total Liabilities and Fund Balances	<u>\$ 63,931</u>	<u>\$ 967,081</u>	<u>\$ 313,623</u>	<u>\$ 71,995</u>

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COMBINED STATE TRUNKLINE BOND PROCEEDS FUND	COMBINED COMPREHENSIVE TRANSPORTATION BOND PROCEEDS FUND	TRANSPORTATION RELATED TRUST FUNDS	TOTALS
\$ 16	\$ -	\$ 409	\$ 966
250,759	85,026	-	478,953
-	-	-	119,596
-	-	-	903,991
-	-	-	1,204
3,265	-	36,254	156,655
774	-	14,952	57,466
-	-	-	5,921
13	-	169	14,048
<u>254,826</u>	<u>85,026</u>	<u>51,783</u>	<u>1,738,801</u>
-	-	-	1,381
-	-	-	21,689
-	-	-	42,720
-	-	-	3,675
<u>\$ 254,826</u>	<u>\$ 85,026</u>	<u>\$ 51,783</u>	<u>\$ 1,808,265</u>
\$ 88	\$ -	\$ 387	\$ 17,902
4,625	2,253	8,813	481,668
-	-	34,962	91,437
682	-	7,621	50,339
<u>5,396</u>	<u>2,253</u>	<u>51,783</u>	<u>641,346</u>
-	-	-	21,689
-	-	-	17,243
<u>5,396</u>	<u>2,253</u>	<u>51,783</u>	<u>680,277</u>
-	-	-	60,134
-	-	-	203,157
-	-	-	399,706
-	-	-	70,272
-	-	-	28,940
-	-	-	28,683
<u>-</u>	<u>-</u>	<u>-</u>	<u>790,892</u>
<u>249,430</u>	<u>82,773</u>	<u>-</u>	<u>337,096</u>
<u>249,430</u>	<u>82,773</u>	<u>-</u>	<u>1,127,988</u>
<u>\$ 254,826</u>	<u>\$ 85,026</u>	<u>\$ 51,783</u>	<u>\$ 1,808,265</u>

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COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
SPECIAL REVENUE FUNDS - TRANSPORTATION RELATED
 FISCAL YEAR ENDED SEPTEMBER 30, 2004
 (In Thousands)

	STATE AERONAUTICS FUND	STATE TRUNKLINE FUND	MICHIGAN TRANSPORTATION FUND	COMPREHENSIVE TRANSPORTATION FUND
REVENUES				
Taxes	\$ 7,721	\$ -	\$ 2,007,077	\$ 64,960
From federal agencies	107,205	587,495	-	29,670
From local agencies	17,501	38,588	-	4
From services	440	16	-	-
From licenses and permits	314	18,934	51,355	290
Miscellaneous	1,725	45,101	3,124	4,864
Total Revenues	134,906	690,134	2,061,556	99,787
EXPENDITURES				
Current:				
Transportation	136,873	514,668	1,017,320	254,172
Capital outlay	-	812,898	-	-
Debt service:				
Capital lease payments	-	160	-	-
Total Expenditures	136,873	1,327,726	1,017,320	254,172
Excess of Revenues over (under) Expenditures	(1,968)	(637,592)	1,044,236	(154,385)
OTHER FINANCING SOURCES (USES)				
Bonds and notes issued	-	-	-	-
Premium on bond issuance	-	-	-	-
Proceeds from sale of capital assets	-	6,903	-	-
Transfers from other funds	9,674	853,008	3,027	168,141
Transfers to other funds	(1,838)	(89,448)	(1,047,263)	(29,287)
Total Other Financing Sources (Uses)	7,836	770,463	(1,044,236)	138,855
Excess of Revenues and Other Sources over (under) Expenditures and Other Uses	5,868	132,871	-	(15,530)
Fund Balances - Beginning of fiscal year	18,580	586,965	-	67,030
Fund Balances - End of fiscal year	<u>\$ 24,448</u>	<u>\$ 719,837</u>	<u>\$ -</u>	<u>\$ 51,500</u>

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COMBINED STATE TRUNKLINE BOND PROCEEDS FUND	COMBINED COMPREHENSIVE TRANSPORTATION BOND PROCEEDS FUND	TRANSPORTATION RELATED TRUST FUNDS	TOTALS
\$ -	\$ -	\$ -	\$ 2,079,758
29,060	-	187,790	941,219
2,975	-	71,194	130,262
-	-	-	457
-	-	-	70,893
<u>2,479</u>	<u>1,164</u>	<u>242</u>	<u>58,699</u>
<u>34,514</u>	<u>1,164</u>	<u>259,226</u>	<u>3,281,288</u>
-	22,950	265,507	2,211,490
172,414	-	-	985,312
<u>-</u>	<u>-</u>	<u>-</u>	<u>160</u>
<u>172,414</u>	<u>22,950</u>	<u>265,507</u>	<u>3,196,962</u>
<u>(137,900)</u>	<u>(21,785)</u>	<u>(6,281)</u>	<u>84,326</u>
185,710	-	-	185,710
15,535	-	-	15,535
-	-	-	6,903
5,948	-	7,044	1,046,843
<u>(11,386)</u>	<u>(251)</u>	<u>(763)</u>	<u>(1,180,237)</u>
<u>195,806</u>	<u>(251)</u>	<u>6,281</u>	<u>74,753</u>
57,906	(22,036)	-	159,079
<u>191,524</u>	<u>104,809</u>	<u>-</u>	<u>968,909</u>
<u>\$ 249,430</u>	<u>\$ 82,773</u>	<u>\$ -</u>	<u>\$ 1,127,988</u>

**COMBINING SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL -
SPECIAL REVENUE FUNDS - TRANSPORTATION RELATED**
FISCAL YEAR ENDED SEPTEMBER 30, 2004
(In Thousands)

STATE AERONAUTICS FUND			
<u>Statutory/Budgetary Basis</u>	BUDGET	ACTUAL	VARIANCE
REVENUES AND OTHER SOURCES			
Taxes	\$ 7,721	\$ 7,721	\$ -
From federal agencies	107,205	107,205	-
From local agencies	17,501	17,501	-
From services	440	440	-
From licenses and permits	314	314	-
Miscellaneous	1,725	1,725	-
Proceeds from sale of capital assets	-	-	-
Transfers in	9,674	9,674	-
	144,580	144,580	-
Total Revenues and Other Sources			
EXPENDITURES, TRANSFERS OUT, AND ENCUMBRANCES - BY BRANCH, DEPARTMENT/AGENCY			
Transportation	141,869	140,451	1,418
	141,869	140,451	1,418
Total Expenditures, Transfers Out, and Encumbrances			
Revenues and Other Sources over (under) Expenditures, Encumbrances, and Other Uses (Statutory/budgetary basis)	\$ 2,710	4,129	\$ 1,418
Reconciling Items:			
Encumbrances at September 30		1,739	
Funds not annually budgeted		-	
		1,739	
Net Reconciling Items			
Excess of Revenues and Other Sources over (under) Expenditures and Other Uses (GAAP Basis)		5,868	
FUND BALANCES (GAAP BASIS)			
Beginning balances		18,580	
Ending balances (GAAP Basis)		\$ 24,448	

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STATE TRUNKLINE FUND			MICHIGAN TRANSPORTATION FUND		
BUDGET	ACTUAL	VARIANCE	BUDGET	ACTUAL	VARIANCE
\$ -	\$ -	\$ -	\$ 2,007,077	\$ 2,007,077	\$ -
587,495	587,495	-	-	-	-
38,588	38,588	-	-	-	-
16	16	-	-	-	-
18,934	18,934	-	51,355	51,355	-
45,101	45,101	-	3,124	3,124	-
6,903	6,903	-	-	-	-
853,008	853,008	-	3,027	3,027	-
<u>1,550,046</u>	<u>1,550,046</u>	<u>-</u>	<u>2,064,583</u>	<u>2,064,583</u>	<u>-</u>
<u>1,581,424</u>	<u>1,444,295</u>	<u>137,130</u>	<u>2,094,261</u>	<u>2,064,583</u>	<u>29,678</u>
<u>1,581,424</u>	<u>1,444,295</u>	<u>137,130</u>	<u>2,094,261</u>	<u>2,064,583</u>	<u>29,678</u>
<u>\$ (31,379)</u>	<u>105,751</u>	<u>\$ 137,130</u>	<u>\$ (29,678)</u>	<u>-</u>	<u>\$ 29,678</u>
	27,121			-	
	<u>-</u>			<u>-</u>	
	27,121			-	
	<u>132,871</u>			<u>-</u>	
	586,965			-	
	<u>\$ 719,837</u>			<u>\$ -</u>	

This schedule continued on next page.

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**COMBINING SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL -
SPECIAL REVENUE FUNDS - TRANSPORTATION RELATED (Continued)**
FISCAL YEAR ENDED SEPTEMBER 30, 2004
(In Thousands)

<u>Statutory/Budgetary Basis</u>	COMPREHENSIVE TRANSPORTATION FUND		
	BUDGET	ACTUAL	VARIANCE
REVENUES AND OTHER SOURCES			
Taxes	\$ 64,960	\$ 64,960	\$ -
From federal agencies	29,670	29,670	-
From local agencies	4	4	-
From services	-	-	-
From licenses and permits	290	290	-
Miscellaneous	4,864	4,864	-
Proceeds from sale of capital assets	-	-	-
Transfers in	168,141	168,141	-
	168,141	168,141	-
Total Revenues and Other Sources	267,928	267,928	-
EXPENDITURES, TRANSFERS OUT, AND ENCUMBRANCES - BY BRANCH, DEPARTMENT/AGENCY			
Transportation	327,994	314,733	13,261
Total Expenditures, Transfers Out, and Encumbrances	327,994	314,733	13,261
Revenues and Other Sources over (under) Expenditures, Encumbrances, and Other Uses (Statutory/budgetary basis)	\$ (60,065)	(46,804)	\$ 13,261
Reconciling Items:			
Encumbrances at September 30		31,274	
Funds not annually budgeted		-	
Net Reconciling Items		31,274	
Excess of Revenues and Other Sources over (under) Expenditures and Other Uses (GAAP Basis)		(15,530)	
FUND BALANCES (GAAP BASIS)			
Beginning balances		67,030	
Ending balances (GAAP Basis)		\$ 51,500	

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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		
<u>ACTUAL</u>	<u>ACTUAL</u>	<u>ACTUAL</u>	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u>
\$ -	\$ -	\$ -	\$ 2,079,758	\$ 2,079,758	\$ -
-	-	-	724,369	724,369	-
-	-	-	56,093	56,093	-
-	-	-	457	457	-
-	-	-	70,893	70,893	-
-	-	-	54,813	54,813	-
-	-	-	6,903	6,903	-
-	-	-	<u>1,033,851</u>	<u>1,033,851</u>	-
-	-	-	<u>4,027,137</u>	<u>4,027,137</u>	-
-	-	-	<u>4,145,549</u>	<u>3,964,062</u>	<u>181,487</u>
-	-	-	<u>4,145,549</u>	<u>3,964,062</u>	<u>181,487</u>
-	-	-	<u>\$ (118,412)</u>	<u>63,075</u>	<u>\$ 181,487</u>
-	-	-	-	60,134	-
<u>57,906</u>	<u>(22,036)</u>	-	-	<u>35,870</u>	-
<u>57,906</u>	<u>(22,036)</u>	-	-	<u>96,004</u>	-
<u>57,906</u>	<u>(22,036)</u>	-	-	<u>159,079</u>	-
<u>191,524</u>	<u>104,809</u>	-	-	<u>968,909</u>	-
<u>\$ 249,430</u>	<u>\$ 82,773</u>	<u>\$ -</u>	-	<u>\$ 1,127,988</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.

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.

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**COMBINING BALANCE SHEET
SPECIAL REVENUE FUNDS - CONSERVATION, ENVIRONMENT, AND RECREATION RELATED
SEPTEMBER 30, 2004
(In Thousands)**

	GAME AND FISH PROTECTION FUND	MICHIGAN STATE WATERWAYS FUND	MARINE SAFETY FUND	GAME AND FISH PROTECTION TRUST FUND	STATE PARK IMPROVEMENT FUND
ASSETS					
Current Assets:					
Cash	\$ 4	\$ -	\$ -	\$ -	\$ 71
Equity in common cash	32,186	39,893	2,160	48,216	7,939
Taxes, interest, and penalties receivable	-	233	-	-	-
Amounts due from component units	-	-	-	-	-
Amounts due from federal agencies	248	-	259	-	-
Amounts due from local units	-	-	-	-	-
Inventories	-	146	-	-	-
Securities lending collateral	162	-	-	4,080	-
Other current assets	3,454	9	-	784	29
Total Current Assets	36,055	40,283	2,419	53,080	8,039
Taxes, interest, and penalties receivable	-	30	-	-	-
Amounts due from local units	-	-	-	-	-
Investments	1,542	-	-	59,103	-
Other noncurrent assets	-	-	-	-	-
Total Assets	\$ 37,597	\$ 40,312	\$ 2,419	\$ 112,183	\$ 8,039
LIABILITIES AND FUND BALANCES					
Current Liabilities:					
Warrants outstanding	\$ 197	\$ 125	\$ 3	\$ -	\$ 121
Obligations under security lending	162	-	-	4,080	-
Accounts payable and other liabilities	7,384	2,022	1,895	9,993	1,497
Amounts due to other funds	400	65	-	-	226
Deferred revenue	-	-	-	-	391
Total Current Liabilities	8,144	2,213	1,898	14,073	2,234
Long-Term Liabilities:					
Deferred revenue	-	30	-	-	-
Total Liabilities	8,144	2,242	1,898	14,073	2,234
Fund Balances:					
Reserves for:					
Budgetary Carry-Forwards:					
Encumbrances	2,803	11,169	-	-	663
Restricted revenues	12,666	2,172	-	-	800
Multi-year projects	2,285	19,061	-	-	639
Revolving loan programs	-	-	-	-	-
Funds held as permanent investments	1,781	-	-	92,111	-
Total Reserved	19,535	32,402	-	92,111	2,102
Unreserved	9,918	5,668	521	6,000	3,704
Total Fund Balances	29,453	38,070	521	98,111	5,805
Total Liabilities and Fund Balances	\$ 37,597	\$ 40,312	\$ 2,419	\$ 112,183	\$ 8,039

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
\$ -	\$ -	\$ -	\$ 1	\$ -	\$ -	\$ 76
4,154	54,109	2,185	13,048	1,814	125,793	331,498
-	-	-	-	6,554	-	6,787
-	8	-	-	-	-	8
-	-	-	-	-	-	507
-	515	-	-	-	438	953
-	-	-	-	-	-	146
-	-	-	-	-	-	4,242
-	8	34	68	-	2,717	7,102
<u>4,154</u>	<u>54,640</u>	<u>2,219</u>	<u>13,116</u>	<u>8,367</u>	<u>128,948</u>	<u>351,321</u>
-	-	-	-	-	-	30
-	-	-	-	-	3,550	3,550
-	-	4,308	-	-	-	64,953
-	-	-	-	-	1,539	1,539
<u>\$ 4,154</u>	<u>\$ 54,640</u>	<u>\$ 6,527</u>	<u>\$ 13,116</u>	<u>\$ 8,368</u>	<u>\$ 134,036</u>	<u>\$ 421,393</u>
\$ 69	\$ 375	\$ 29	\$ 76	\$ 3	\$ 107	\$ 1,104
-	-	-	-	-	-	4,242
1,150	23,363	46	1,754	35	7,365	56,503
2	20	2	113	5,690	112	6,630
-	-	-	-	864	209	1,463
<u>1,221</u>	<u>23,758</u>	<u>76</u>	<u>1,943</u>	<u>6,592</u>	<u>7,793</u>	<u>69,942</u>
-	-	-	-	-	1,539	1,569
<u>1,221</u>	<u>23,758</u>	<u>76</u>	<u>1,943</u>	<u>6,592</u>	<u>9,331</u>	<u>71,511</u>
-	-	46	1,863	-	2,663	19,208
-	-	-	-	1,253	74,370	91,262
-	-	-	1,029	-	5,770	28,784
-	-	-	-	-	20,502	20,502
-	-	6,038	-	-	21,400	121,330
-	-	6,084	2,893	1,253	124,705	281,086
<u>2,934</u>	<u>30,883</u>	<u>366</u>	<u>8,280</u>	<u>522</u>	<u>-</u>	<u>68,796</u>
<u>2,934</u>	<u>30,883</u>	<u>6,451</u>	<u>11,173</u>	<u>1,775</u>	<u>124,705</u>	<u>349,881</u>
<u>\$ 4,154</u>	<u>\$ 54,640</u>	<u>\$ 6,527</u>	<u>\$ 13,116</u>	<u>\$ 8,368</u>	<u>\$ 134,036</u>	<u>\$ 421,393</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, 2004
 (In Thousands)

	GAME AND FISH PROTECTION FUND	MICHIGAN STATE WATERWAYS FUND	MARINE SAFETY FUND	GAME AND FISH PROTECTION TRUST FUND	STATE PARK IMPROVEMENT FUND
REVENUES					
Taxes	\$ -	\$ 282	\$ -	\$ -	\$ -
From federal agencies	1,332	-	259	-	-
From licenses and permits	48,301	6,633	4,727	-	32,899
Miscellaneous	1,928	1,492	137	13,612	1,136
Total Revenues	51,561	8,407	5,123	13,612	34,035
EXPENDITURES					
Current:					
General government	2	-	-	163	-
Conservation, environment, recreation, and agriculture	60,609	23,254	4,333	-	32,207
Health services	-	-	-	-	-
Capital outlay	5,214	9,207	-	-	4,069
Total Expenditures	65,824	32,461	4,333	163	36,277
Excess of Revenues over (under) Expenditures	(14,264)	(24,054)	791	13,449	(2,241)
OTHER FINANCING SOURCES (USES)					
Bonds and notes issued	-	-	-	-	-
Transfers from other funds	10,696	14,748	-	-	-
Transfers to other funds	(1,608)	(386)	(1,128)	(10,706)	(1,269)
Total Other Financing Sources (Uses)	9,088	14,362	(1,128)	(10,706)	(1,269)
Excess of Revenues and Other Sources over (under) Expenditures and Other Uses	(5,176)	(9,692)	(337)	2,743	(3,510)
Fund Balances - Beginning of fiscal year	34,629	47,761	859	95,368	9,316
Fund Balances - End of fiscal year	\$ 29,453	\$ 38,070	\$ 521	\$ 98,111	\$ 5,805

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
\$ -	\$ -	\$ -	\$ -	\$ 59,575	\$ -	\$ 59,857
-	-	1	51	-	-	1,642
-	-	4	1	-	-	92,564
<u>90</u>	<u>4,016</u>	<u>511</u>	<u>27,480</u>	<u>8</u>	<u>23,559</u>	<u>73,968</u>
<u>90</u>	<u>4,016</u>	<u>515</u>	<u>27,531</u>	<u>59,583</u>	<u>23,559</u>	<u>228,032</u>
-	-	5	-	156	-	326
2,934	60,804	563	22,231	1	35,012	241,947
-	316	-	-	-	-	316
<u>-</u>	<u>-</u>	<u>-</u>	<u>484</u>	<u>-</u>	<u>-</u>	<u>18,974</u>
<u>2,934</u>	<u>61,120</u>	<u>568</u>	<u>22,716</u>	<u>157</u>	<u>35,012</u>	<u>261,563</u>
<u>(2,844)</u>	<u>(57,104)</u>	<u>(53)</u>	<u>4,816</u>	<u>59,426</u>	<u>(11,454)</u>	<u>(33,531)</u>
-	54,515	-	-	-	-	54,515
-	1	-	-	1	15,002	40,448
<u>(564)</u>	<u>(15,020)</u>	<u>(3)</u>	<u>(834)</u>	<u>(59,575)</u>	<u>(143)</u>	<u>(91,235)</u>
<u>(564)</u>	<u>39,496</u>	<u>(3)</u>	<u>(834)</u>	<u>(59,574)</u>	<u>14,859</u>	<u>3,728</u>
(3,407)	(17,608)	(56)	3,982	(148)	3,406	(29,803)
<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>\$ 2,934</u>	<u>\$ 30,883</u>	<u>\$ 6,451</u>	<u>\$ 11,173</u>	<u>\$ 1,775</u>	<u>\$ 124,705</u>	<u>\$ 349,881</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, 2004
(In Thousands)

Statutory/Budgetary Basis	GAME AND FISH PROTECTION FUND			MICHIGAN STATE WATERWAYS FUND		
	BUDGET	ACTUAL	VARIANCE	BUDGET	ACTUAL	VARIANCE
REVENUES AND OTHER SOURCES						
Taxes	\$ -	\$ -	\$ -	\$ 282	\$ 282	\$ -
From federal agencies	1,332	1,332	-	-	-	-
From licenses and permits	48,301	48,301	-	6,633	6,633	-
Miscellaneous	1,928	1,928	-	1,492	1,492	-
Transfers in	10,696	10,696	-	14,748	14,748	-
Total Revenues and Other Sources	62,257	62,257	-	23,155	23,155	-
EXPENDITURES, TRANSFERS OUT, AND ENCUMBRANCES - BY BRANCH, DEPARTMENT/AGENCY						
Natural Resources	73,604	70,234	3,370	48,017	44,016	4,001
Treasury	2	2	-	-	-	-
Total Expenditures, Transfers Out and Encumbrances	73,606	70,236	3,370	48,017	44,016	4,001
Revenues and Other Sources over (under) Expenditures, Encumbrances, and Other Uses (Statutory/budgetary basis)	<u>\$ (11,349)</u>	<u>(7,979)</u>	<u>\$ 3,370</u>	<u>\$ (24,862)</u>	<u>(20,861)</u>	<u>\$ 4,001</u>
Reconciling Items:						
Encumbrances at September 30		2,803			11,169	
Funds not annually budgeted		-			-	
Net Reconciling Items		2,803			11,169	
Excess of Revenues and Other Sources over (under) Expenditures and Other Uses (GAAP Basis)		<u>(5,176)</u>			<u>(9,692)</u>	
FUND BALANCES (GAAP BASIS)						
Beginning balances		<u>34,629</u>			<u>47,761</u>	
Ending balances (GAAP Basis)		<u>\$ 29,453</u>			<u>\$ 38,070</u>	

Michigan

MARINE SAFETY FUND			STATE PARK IMPROVEMENT FUND		
BUDGET	ACTUAL	VARIANCE	BUDGET	ACTUAL	VARIANCE
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
259	259	-	-	-	-
4,727	4,727	-	32,899	32,899	-
137	137	-	1,136	1,136	-
-	-	-	-	-	-
5,123	5,123	-	34,035	34,035	-
5,757	5,461	296	38,701	38,208	493
-	-	-	-	-	-
5,757	5,461	296	38,701	38,208	493
\$ (634)	(337)	\$ 296	\$ (4,666)	(4,173)	\$ 493
	-			663	
	-			-	
	-			663	
	(337)			(3,510)	
	859			9,316	
	\$ 521			\$ 5,805	

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, 2004
(In Thousands)

<u>Statutory/Budgetary Basis</u>	MICHIGAN NONGAME FISH AND WILDLIFE FUND			FOREST DEVELOPMENT FUND		
	BUDGET	ACTUAL	VARIANCE	BUDGET	ACTUAL	VARIANCE
REVENUES AND OTHER SOURCES						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
From federal agencies	1	1	-	51	51	-
From licenses and permits	4	4	-	1	1	-
Miscellaneous	511	511	-	27,480	27,480	-
Transfers in	-	-	-	-	-	-
Total Revenues and Other Sources	515	515	-	27,531	27,531	-
EXPENDITURES, TRANSFERS OUT, AND ENCUMBRANCES - BY BRANCH, DEPARTMENT/AGENCY						
Natural Resources	623	612	10	27,351	25,413	1,938
Treasury	5	5	-	-	-	-
Total Expenditures, Transfers Out and Encumbrances	628	617	10	27,351	25,413	1,938
Revenues and Other Sources over (under) Expenditures, Encumbrances, and Other Uses (Statutory/budgetary basis)	\$ (113)	(102)	\$ 10	\$ 181	2,119	\$ 1,938
Reconciling Items:						
Encumbrances at September 30		46			1,863	
Funds not annually budgeted		-			-	
Net Reconciling Items		46			1,863	
Excess of Revenues and Other Sources over (under) Expenditures and Other Uses (GAAP Basis)		(56)			3,982	
FUND BALANCES (GAAP BASIS)						
Beginning balances		6,507			7,191	
Ending balances (GAAP Basis)		\$ 6,451			\$ 11,173	

Michigan

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			
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 282	\$ 282	\$ -
-	-	-	-	-	1,642	1,642	-
-	-	-	-	-	92,564	92,564	-
-	-	-	-	-	32,684	32,684	-
-	-	-	-	-	25,444	25,444	-
-	-	-	-	-	152,616	152,616	-
-	-	-	-	-	194,053	183,943	10,109
-	-	-	-	-	7	7	-
-	-	-	-	-	194,059	183,950	10,109
-	-	-	-	-	<u>\$ (41,443)</u>	<u>(31,334)</u>	<u>\$ 10,109</u>
-	-	-	-	-		16,545	
2,743	(3,407)	(17,608)	(148)	3,406		(15,014)	
2,743	(3,407)	(17,608)	(148)	3,406		1,530	
2,743	(3,407)	(17,608)	(148)	3,406		(29,803)	
95,368	6,341	48,490	1,923	121,300		379,685	
<u>\$ 98,111</u>	<u>\$ 2,934</u>	<u>\$ 30,883</u>	<u>\$ 1,775</u>	<u>\$ 124,705</u>		<u>\$ 349,881</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 Labor and Economic Growth. 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 Labor and Economic Growth's Consultation 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 Labor and Economic Growth's Bureau of Construction Codes and Fire Safety 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, 2004
 (In Thousands)

	MICHIGAN EMPLOYMENT SECURITY ACT - ADMINISTRATION FUND	SAFETY EDUCATION AND TRAINING FUND	STATE CONSTRUCTION CODE FUND	HOMEOWNER CONSTRUCTION LIEN RECOVERY FUND
ASSETS				
Current Assets:				
Equity in common cash	\$ -	\$ 5,493	\$ 8,522	\$ 712
Amounts due from other funds	-	-	-	-
Amounts due from federal agencies	10,131	-	-	-
Other current assets	48	5	135	-
Total Current Assets	<u>10,179</u>	<u>5,498</u>	<u>8,657</u>	<u>712</u>
Total Assets	<u>\$ 10,179</u>	<u>\$ 5,498</u>	<u>\$ 8,657</u>	<u>\$ 712</u>
LIABILITIES AND FUND BALANCES				
Current Liabilities:				
Warrants outstanding	\$ 169	\$ 10	\$ 11	\$ 18
Accounts payable and other liabilities	3,439	170	344	78
Amounts due to other funds	6,571	31	89	1
Deferred revenue	-	-	-	-
Total Current Liabilities	<u>10,179</u>	<u>211</u>	<u>444</u>	<u>96</u>
Total Liabilities	<u>10,179</u>	<u>211</u>	<u>444</u>	<u>96</u>
Fund Balances:				
Reserves for:				
Budgetary carry-forwards:				
Encumbrances	-	403	27	-
Restricted revenues	-	-	-	-
Total Reserved	<u>-</u>	<u>403</u>	<u>27</u>	<u>-</u>
Unreserved	-	4,884	8,187	615
Total Fund Balances	<u>-</u>	<u>5,287</u>	<u>8,213</u>	<u>616</u>
Total Liabilities and Fund Balances	<u>\$ 10,179</u>	<u>\$ 5,498</u>	<u>\$ 8,657</u>	<u>\$ 712</u>

Michigan

STATE CASINO GAMING FUND	SECOND INJURY FUND	SILICOSIS, DUST DISEASE, AND LOGGING INDUSTRY COMPENSATION FUND	SELF-INSURERS' SECURITY FUND	UTILITY CONSUMER REPRESENTATION FUND	TOTALS
14,884	\$ 11,956	\$ 3,155	\$ 14,505	\$ 3,128	\$ 62,355
-	5,872	-	-	-	5,872
-	-	-	-	-	10,131
102	365	3	241	-	899
<u>14,985</u>	<u>18,193</u>	<u>3,158</u>	<u>14,746</u>	<u>3,128</u>	<u>79,257</u>
<u>\$ 14,985</u>	<u>\$ 18,193</u>	<u>\$ 3,158</u>	<u>\$ 14,746</u>	<u>\$ 3,128</u>	<u>\$ 79,257</u>
\$ 11	\$ 220	\$ 51	\$ 463	\$ 3	\$ 956
303	2,703	870	6,489	66	14,461
55	9	4	4	3	6,765
100	1,630	46	2,358	-	4,134
<u>469</u>	<u>4,561</u>	<u>970</u>	<u>9,314</u>	<u>71</u>	<u>26,317</u>
469	4,561	970	9,314	71	26,317
-	-	-	-	-	431
<u>13,442</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>13,442</u>
<u>13,443</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>13,873</u>
<u>1,074</u>	<u>13,631</u>	<u>2,188</u>	<u>5,432</u>	<u>3,057</u>	<u>39,067</u>
<u>14,516</u>	<u>13,631</u>	<u>2,188</u>	<u>5,432</u>	<u>3,057</u>	<u>52,940</u>
<u>\$ 14,985</u>	<u>\$ 18,193</u>	<u>\$ 3,158</u>	<u>\$ 14,746</u>	<u>\$ 3,128</u>	<u>\$ 79,257</u>

Michigan

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
SPECIAL REVENUE FUNDS - REGULATORY AND ADMINISTRATIVE RELATED
 FISCAL YEAR ENDED SEPTEMBER 30, 2004
 (In Thousands)

	MICHIGAN EMPLOYMENT SECURITY ACT - ADMINISTRATION FUND	SAFETY EDUCATION AND TRAINING FUND	STATE CONSTRUCTION CODE FUND	HOMEOWNER CONSTRUCTION LIEN RECOVERY FUND
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
REVENUES				
From federal agencies	\$ 120,896	\$ -	\$ -	\$ -
From licenses and permits	-	-	12,529	-
Miscellaneous	120	6,950	113	381
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Revenues	121,016	6,950	12,642	381
EXPENDITURES				
Current:				
General government	-	-	-	-
Labor, commerce, and regulatory	126,050	6,490	13,791	733
Debt Service:				
Capital lease payments	557	-	-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Expenditures	126,607	6,490	13,791	733
Excess of Revenues over (under) Expenditures	<u> </u>	<u> </u>	<u> </u>	<u> </u>
	(5,591)	459	(1,148)	(352)
OTHER FINANCING SOURCES (USES)				
Transfers from other funds	7,765	-	-	-
Transfers to other funds	(2,175)	(33)	(175)	(14)
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Other Financing Sources (Uses)	5,591	(33)	(175)	(14)
Excess of Revenues and Other Sources over (under) Expenditures and Other Uses	<u> </u>	<u> </u>	<u> </u>	<u> </u>
	-	426	(1,323)	(366)
Fund Balances - Beginning of fiscal year	<u> </u>	<u> </u>	<u> </u>	<u> </u>
	-	4,861	9,536	981
Fund Balances - End of fiscal year	<u> </u>	<u> </u>	<u> </u>	<u> </u>
	\$ -	\$ 5,287	\$ 8,213	\$ 616

Michigan

STATE CASINO GAMING FUND	SECOND INJURY FUND	SILICOSIS, DUST DISEASE, AND LOGGING INDUSTRY COMPENSATION FUND	SELF-INSURERS' SECURITY FUND	UTILITY CONSUMER REPRESENTATION FUND	TOTALS
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 120,896
888	-	-	-	-	13,417
<u>29,268</u>	<u>11,280</u>	<u>1,632</u>	<u>12,255</u>	<u>1,006</u>	<u>63,005</u>
<u>30,155</u>	<u>11,280</u>	<u>1,632</u>	<u>12,255</u>	<u>1,006</u>	<u>197,318</u>
15,507	-	-	-	402	15,910
-	17,108	2,616	11,931	505	179,224
-	-	-	-	-	557
<u>15,507</u>	<u>17,108</u>	<u>2,616</u>	<u>11,931</u>	<u>908</u>	<u>195,691</u>
<u>14,648</u>	<u>(5,828)</u>	<u>(984)</u>	<u>324</u>	<u>99</u>	<u>1,627</u>
-	-	-	-	-	7,765
<u>(8,778)</u>	<u>(25)</u>	<u>(11)</u>	<u>(9)</u>	<u>(4)</u>	<u>(11,223)</u>
<u>(8,778)</u>	<u>(25)</u>	<u>(11)</u>	<u>(9)</u>	<u>(4)</u>	<u>(3,458)</u>
5,870	(5,853)	(995)	315	95	(1,830)
<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>\$ 14,516</u>	<u>\$ 13,631</u>	<u>\$ 2,188</u>	<u>\$ 5,432</u>	<u>\$ 3,057</u>	<u>\$ 52,940</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, 2004
(In Thousands)**

<u>Statutory/Budgetary Basis</u>	<u>MICHIGAN EMPLOYMENT SECURITY ACT - ADMINISTRATION FUND</u>			<u>SAFETY EDUCATION AND TRAINING FUND</u>		
	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u>	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u>
REVENUES AND OTHER SOURCES						
From federal agencies	\$ 120,896	\$ 120,896	\$ -	\$ -	\$ -	\$ -
From licenses and permits	-	-	-	-	-	-
Miscellaneous	120	120	-	6,950	6,950	-
Transfers in	7,765	7,765	-	-	-	-
Total Revenues and Other Sources	128,781	128,781	-	6,950	6,950	-
EXPENDITURES, TRANSFERS OUT, AND ENCUMBRANCES - BY BRANCH, DEPARTMENT/AGENCY						
Labor and Economic Growth	128,781	128,781	-	8,097	6,927	1,170
Treasury	-	-	-	-	-	-
Total Expenditures, Transfers Out, and Encumbrances	128,781	128,781	-	8,097	6,927	1,170
Revenues and Other Sources over (under) Expenditures, Encumbrances, and Other Uses (Statutory/budgetary basis)	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>	<u>\$ (1,147)</u>	<u>23</u>	<u>\$ 1,170</u>
Reconciling Items:						
Encumbrances at September 30		-			403	
Funds not annually budgeted		-			-	
Net Reconciling Items		-			403	
Excess of Revenues and Other Sources over (under) Expenditures and Other Uses (GAAP Basis)		<u>-</u>			<u>426</u>	
FUND BALANCES (GAAP BASIS)						
Beginning balances		<u>-</u>			<u>4,861</u>	
Ending balances (GAAP Basis)		<u>\$ -</u>			<u>\$ 5,287</u>	

Michigan

STATE CONSTRUCTION CODE FUND			HOMEOWNER CONSTRUCTION LIEN RECOVERY FUND		
BUDGET	ACTUAL	VARIANCE	BUDGET	ACTUAL	VARIANCE
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
12,529	12,529	-	-	-	-
113	113	-	381	381	-
-	-	-	-	-	-
12,642	12,642	-	381	381	-
15,700	13,992	1,708	1,534	748	787
-	-	-	-	-	-
15,700	13,992	1,708	1,534	748	787
\$ (3,058)	(1,350)	\$ 1,708	\$ (1,153)	(366)	\$ 787
	27			-	
	-			-	
	27			-	
	(1,323)			(366)	
	9,536			981	
	\$ 8,213			\$ 616	

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, 2004
(In Thousands)

	STATE CASINO GAMING FUND		
<u>Statutory/Budgetary Basis</u>	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u>
REVENUES AND OTHER SOURCES			
From federal agencies	\$ -	\$ -	\$ -
From licenses and permits	888	888	-
Miscellaneous	29,268	29,268	-
Transfers in	-	-	-
	30,155	30,155	-
EXPENDITURES, TRANSFERS OUT, AND ENCUMBRANCES - BY BRANCH, DEPARTMENT/AGENCY			
Labor and Economic Growth	-	-	-
Treasury	24,310	24,286	25
	24,310	24,286	25
Revenues and Other Sources over (under) Expenditures, Encumbrances, and Other Uses (Statutory/budgetary basis)	<u>\$ 5,845</u>	<u>5,870</u>	<u>\$ 25</u>
Reconciling Items:			
Encumbrances at September 30		-	
Funds not annually budgeted		-	
Net Reconciling Items		-	
Excess of Revenues and Other Sources over (under) Expenditures and Other Uses (GAAP Basis)		<u>5,870</u>	
FUND BALANCES (GAAP BASIS)			
Beginning balances		<u>8,646</u>	
Ending balances (GAAP Basis)		<u>\$ 14,516</u>	

Michigan

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			
\$ -	\$ -	\$ -	\$ -	\$ 120,896	\$ 120,896	\$ -
-	-	-	-	13,417	13,417	-
-	-	-	-	36,831	36,831	-
-	-	-	-	7,765	7,765	-
-	-	-	-	<u>178,910</u>	<u>178,910</u>	-
-	-	-	-	154,113	150,448	3,665
-	-	-	-	<u>24,310</u>	<u>24,286</u>	<u>25</u>
-	-	-	-	<u>178,423</u>	<u>174,733</u>	<u>3,690</u>
-	-	-	-	<u>\$ 487</u>	<u>4,177</u>	<u>\$ 3,690</u>
-	-	-	-		431	
<u>(5,853)</u>	<u>(995)</u>	<u>315</u>	<u>95</u>		<u>(6,438)</u>	
<u>(5,853)</u>	<u>(995)</u>	<u>315</u>	<u>95</u>		<u>(6,007)</u>	
<u>(5,853)</u>	<u>(995)</u>	<u>315</u>	<u>95</u>		<u>(1,830)</u>	
<u>19,484</u>	<u>3,183</u>	<u>5,117</u>	<u>2,962</u>		<u>54,770</u>	
<u>\$ 13,631</u>	<u>\$ 2,188</u>	<u>\$ 5,432</u>	<u>\$ 3,057</u>		<u>\$ 52,940</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, 2004
 (In Thousands)

	<u>SCHOOL BOND LOAN FUND</u>	<u>TOBACCO SETTLEMENT TRUST FUND</u>	<u>MICHIGAN MERIT AWARD TRUST FUND</u>
ASSETS			
Current Assets:			
Equity in common cash	\$ 562	\$ 5,732	\$ 74,058
Other current assets	-	51,284	151,950
Total Current Assets	<u>562</u>	<u>57,016</u>	<u>226,009</u>
Other noncurrent assets	<u>-</u>	<u>-</u>	<u>-</u>
Total Assets	<u>\$ 562</u>	<u>\$ 57,016</u>	<u>\$ 226,009</u>
LIABILITIES AND FUND BALANCES			
Current Liabilities:			
Warrants outstanding	\$ -	\$ 45	\$ 53
Accounts payable and other liabilities	78	646	69,619
Amounts due to other funds	-	3	16
Deferred revenue	-	50,647	151,941
Total Current Liabilities	<u>78</u>	<u>51,339</u>	<u>221,629</u>
Long-Term Liabilities:			
Deferred revenue	<u>-</u>	<u>-</u>	<u>-</u>
Total Liabilities	<u>78</u>	<u>51,339</u>	<u>221,629</u>
Fund Balances:			
Reserves for:			
Budgetary Carry-Forwards:			
Encumbrances	-	175	89
Noncurrent assets	-	-	-
Total Reserved	<u>-</u>	<u>175</u>	<u>89</u>
Unreserved	<u>484</u>	<u>5,501</u>	<u>4,290</u>
Total Fund Balances	<u>484</u>	<u>5,676</u>	<u>4,379</u>
Total Liabilities and Fund Balances	<u>\$ 562</u>	<u>\$ 57,016</u>	<u>\$ 226,009</u>

ASSIGNED CLAIMS FACILITY AND PLAN FUND	MISCELLANEOUS SPECIAL REVENUE FUNDS	TOTALS
\$ 45,016	\$ 1,134	\$ 126,502
1,469	312	205,015
<u>46,485</u>	<u>1,445</u>	<u>331,517</u>
-	1,772	1,772
<u>\$ 46,485</u>	<u>\$ 3,218</u>	<u>\$ 333,289</u>
\$ 40,824	\$ -	\$ 40,922
4,675	21	75,039
-	-	19
986	-	203,573
<u>46,485</u>	<u>21</u>	<u>319,553</u>
-	482	482
<u>46,485</u>	<u>503</u>	<u>320,035</u>
-	-	264
-	1,290	1,290
-	1,290	1,554
-	1,425	11,700
-	2,715	13,254
<u>\$ 46,485</u>	<u>\$ 3,218</u>	<u>\$ 333,289</u>

Michigan

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
SPECIAL REVENUE FUNDS - OTHER STATE FUNDS
 FISCAL YEAR ENDED SEPTEMBER 30, 2004
 (In Thousands)

	SCHOOL BOND LOAN FUND	TOBACCO SETTLEMENT TRUST FUND	MICHIGAN MERIT AWARD TRUST FUND
REVENUES			
Miscellaneous	\$ -	\$ 68,323	\$ 203,795
Total Revenues	<u>-</u>	<u>68,323</u>	<u>203,795</u>
EXPENDITURES			
Current:			
General government	622	328	2,104
Education	-	2,400	97,991
Family independence services	-	-	-
Labor, commerce, and regulatory	-	10,224	-
Health services	-	64,043	34,000
Total Expenditures	<u>622</u>	<u>76,995</u>	<u>134,094</u>
Excess of Revenues over (under) Expenditures	<u>(622)</u>	<u>(8,672)</u>	<u>69,701</u>
OTHER FINANCING SOURCES (USES)			
Bonds and notes issued	150,121	-	-
Transfers from other funds	-	-	1
Transfers to other funds	<u>(153,133)</u>	<u>(1,000)</u>	<u>(66,926)</u>
Total Other Financing Sources (Uses)	<u>(3,012)</u>	<u>(1,000)</u>	<u>(66,925)</u>
Excess of Revenues and Other Sources over (under) Expenditures and Other Uses	<u>(3,634)</u>	<u>(9,672)</u>	<u>2,776</u>
Fund Balances - Beginning of fiscal year	<u>4,118</u>	<u>15,348</u>	<u>1,604</u>
Fund Balances - End of fiscal year	<u>\$ 484</u>	<u>\$ 5,676</u>	<u>\$ 4,379</u>

Michigan

ASSIGNED CLAIMS FACILITY AND PLAN FUND	MISCELLANEOUS SPECIAL REVENUE FUNDS	TOTALS
\$ 85,147	\$ 188	\$ 357,454
<u>85,147</u>	<u>188</u>	<u>357,454</u>
84,458	11	87,523
-	-	100,391
-	4	4
-	-	10,224
<u>-</u>	<u>-</u>	<u>98,043</u>
<u>84,458</u>	<u>16</u>	<u>296,185</u>
<u>690</u>	<u>173</u>	<u>61,269</u>
-	-	150,121
-	-	1
<u>(690)</u>	<u>-</u>	<u>(221,750)</u>
<u>(690)</u>	<u>-</u>	<u>(71,627)</u>
-	172	(10,358)
<u>-</u>	<u>2,543</u>	<u>23,613</u>
<u>\$ -</u>	<u>\$ 2,715</u>	<u>\$ 13,254</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, 2004
(In Thousands)

Statutory/Budgetary Basis	TOBACCO SETTLEMENT TRUST FUND			MICHIGAN MERIT AWARD TRUST FUND		
	BUDGET	ACTUAL	VARIANCE	BUDGET	ACTUAL	VARIANCE
REVENUES AND OTHER SOURCES						
Miscellaneous	\$ 68,323	\$ 68,323	\$ -	\$ 203,795	\$ 203,795	\$ -
Transfers in	-	-	-	1	1	-
Total Revenues and Other Sources	<u>68,323</u>	<u>68,323</u>	<u>-</u>	<u>203,796</u>	<u>203,796</u>	<u>-</u>
EXPENDITURES, TRANSFERS OUT, AND ENCUMBRANCES - BY BRANCH, DEPARTMENT/AGENCY						
Attorney General	352	328	24	-	-	-
Colleges and Universities Grants	2,400	2,400	-	90,233	85,663	4,570
Community Health	64,043	64,043	-	34,000	34,000	-
Education	-	-	-	16,740	16,317	423
Labor and Economic Growth	10,399	10,399	-	-	-	-
Treasury	1,000	1,000	-	66,492	65,130	1,362
Total Expenditures, Transfers Out, and Encumbrances	<u>78,194</u>	<u>78,170</u>	<u>24</u>	<u>207,465</u>	<u>201,110</u>	<u>6,355</u>
Revenues and Other Sources over (under) Expenditures, Encumbrances, and Other Uses (Statutory/budgetary basis)	<u>\$ (9,871)</u>	<u>(9,847)</u>	<u>\$ 24</u>	<u>\$ (3,669)</u>	<u>2,687</u>	<u>\$ 6,355</u>
Reconciling Items:						
Encumbrances at September 30		175			89	
Funds not annually budgeted		-			-	
Net Reconciling Items		<u>175</u>			<u>89</u>	
Excess of Revenues and Other Sources over (under) Expenditures and Other Uses (GAAP Basis)		<u>(9,672)</u>			<u>2,776</u>	
FUND BALANCES (GAAP BASIS)						
Beginning balances		<u>15,348</u>			<u>1,604</u>	
Ending balances (GAAP Basis)		<u>\$ 5,676</u>			<u>\$ 4,379</u>	

Michigan

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
\$ -	\$ -	\$ -	\$ 272,118	\$ 272,118	\$ -
-	-	-	1	1	-
-	-	-	272,119	272,119	-
-	-	-	352	328	24
-	-	-	92,633	88,063	4,570
-	-	-	98,043	98,043	-
-	-	-	16,740	16,317	423
-	-	-	10,399	10,399	-
-	-	-	67,492	66,130	1,362
-	-	-	285,659	279,279	6,379
-	-	-	<u>\$ (13,539)</u>	<u>(7,160)</u>	<u>\$ 6,379</u>
-	-	-		264	
(3,634)	-	172		(3,462)	
(3,634)	-	172		(3,198)	
(3,634)	-	172		(10,358)	
4,118	-	2,543		23,613	
<u>\$ 484</u>	<u>\$ -</u>	<u>\$ 2,715</u>		<u>\$ 13,254</u>	



DEBT SERVICE FUNDS

COMBINED STATE TRUNKLINE BOND AND INTEREST REDEMPTION FUND

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

COMBINED COMPREHENSIVE TRANSPORTATION BOND AND INTEREST REDEMPTION FUND

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

RECREATION AND ENVIRONMENTAL PROTECTION BOND REDEMPTION FUND

Public Acts 326 and 327 of 1988 established this fund to service bond issues of the Recreation Bond Fund-Local Projects, Recreation Bond Fund-State Projects, and the Environmental Protection Bond Fund. Also pursuant to P.A. 284 of 1998 and Part 196 of P.A. 451 of 1994, the fund services bond issues of the Clean Michigan Initiative Bond Fund-Local Projects, Clean Michigan Initiative Bond Fund-State Projects, and Clean Michigan Initiative Bond Fund-Environmental Projects. This fund also reflects debt service transactions related to State Park Improvement Fund revenue bonds, issued pursuant to Part 741 of P.A. 451 of 1994, as amended.

Financing of debt retirement, interest expense, and paying agent fees is provided by annual legislative appropriation from the General Fund, transfers from the State Park Improvement Fund representing state park revenues pledged for the payment of State Park Gross Revenue Bonds, and transfers from other funds as required by legislative appropriation or executive order.

Reserved fund balance of \$300 thousand on the Balance Sheet represents a reserve account required by the State Park Gross Revenue Bonds document for additional security to pay bond principal and interest.

SCHOOL LOAN BOND REDEMPTION FUND

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

STATE BUILDING AUTHORITY

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

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

MICHIGAN UNDERGROUND STORAGE TANK FINANCIAL ASSURANCE FINANCE AUTHORITY

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

Michigan

COMBINING BALANCE SHEET
DEBT SERVICE FUNDS
 SEPTEMBER 30, 2004
 (In Thousands)

	COMBINED STATE TRUNKLINE BOND AND INTEREST REDEMPTION FUND	COMBINED COMPREHENSIVE TRANSPORTATION BOND AND INTEREST REDEMPTION FUND	RECREATION AND ENVIRONMENTAL PROTECTION BOND REDEMPTION FUND
ASSETS			
Current Assets:			
Cash	\$ -	\$ -	\$ -
Equity in common cash	61	-	1,110
Amounts due from other funds	-	-	-
Investments	-	-	-
Other current assets	-	-	-
Total Current Assets	<u>61</u>	<u>-</u>	<u>1,110</u>
Investments	<u>-</u>	<u>-</u>	<u>-</u>
Total Assets	<u>\$ 61</u>	<u>\$ -</u>	<u>\$ 1,110</u>
LIABILITIES AND FUND BALANCES			
Current Liabilities:			
Accounts payable and other liabilities	\$ 61	\$ -	\$ -
Amounts due to other funds	-	-	-
Total Current Liabilities	<u>61</u>	<u>-</u>	<u>-</u>
Total Liabilities	<u>61</u>	<u>-</u>	<u>-</u>
Fund Balances:			
Reserved for other purposes	-	-	300
Unreserved	-	-	810
Total Fund Balances	<u>-</u>	<u>-</u>	<u>1,110</u>
Total Liabilities and Fund Balances	<u>\$ 61</u>	<u>\$ -</u>	<u>\$ 1,110</u>

Michigan

SCHOOL LOAN BOND REDEMPTION FUND	STATE BUILDING AUTHORITY	MICHIGAN UNDERGROUND STORAGE TANK FINANCIAL ASSURANCE FINANCE AUTHORITY	TOTALS
\$ -	\$ -	\$ 4,649	\$ 4,649
-	-	4,339	5,510
-	-	5,690	5,690
-	187,153	191,495	378,649
-	370	-	370
-	187,523	206,173	394,867
-	6,000	-	6,000
<u>\$ -</u>	<u>\$ 193,523</u>	<u>\$ 206,173</u>	<u>\$ 400,867</u>
\$ -	\$ 16	\$ 4,649	\$ 4,726
-	-	30,000	30,000
-	16	34,649	34,726
-	16	34,649	34,726
-	-	-	300
-	193,507	171,524	365,841
-	193,507	171,524	366,141
<u>\$ -</u>	<u>\$ 193,523</u>	<u>\$ 206,173</u>	<u>\$ 400,867</u>

Michigan

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

DEBT SERVICE FUNDS

FISCAL YEAR ENDED SEPTEMBER 30, 2004

(In Thousands)

	COMBINED STATE TRUNKLINE BOND AND INTEREST REDEMPTION FUND	COMBINED COMPREHENSIVE TRANSPORTATION BOND AND INTEREST REDEMPTION FUND	RECREATION AND ENVIRONMENTAL PROTECTION BOND REDEMPTION FUND
REVENUES			
Miscellaneous	\$ -	\$ -	\$ 8
Total Revenues	<u>-</u>	<u>-</u>	<u>8</u>
EXPENDITURES			
Current:			
General government	-	-	-
Education	-	-	-
Transportation	881	-	-
Debt Service:			
Bond principal retirement	23,895	16,325	13,397
Bond interest and fiscal charges	51,291	13,954	43,381
Total Expenditures	<u>76,066</u>	<u>30,279</u>	<u>56,778</u>
Excess of Revenues over (under) Expenditures	<u>(76,066)</u>	<u>(30,278)</u>	<u>(56,770)</u>
OTHER FINANCING SOURCES (USES)			
Premium on bond issuance	9,736	-	-
Refunding bonds issued	103,450	-	-
Payment to refunded bond escrow agent	(112,305)	-	-
Transfers from other funds	75,186	30,279	56,792
Transfers to other funds	-	-	-
Total Other Financing Sources (Uses)	<u>76,066</u>	<u>30,278</u>	<u>56,792</u>
Excess of Revenues and Other Sources over (under) Expenditures and Other Uses	-	-	22
Fund Balances - Beginning of fiscal year	<u>-</u>	<u>-</u>	<u>1,087</u>
Fund Balances - End of fiscal year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,110</u>

Michigan

SCHOOL LOAN BOND REDEMPTION FUND	STATE BUILDING AUTHORITY	MICHIGAN UNDERGROUND STORAGE TANK FINANCIAL ASSURANCE FINANCE AUTHORITY	TOTALS
<u> </u>	<u> </u>	<u> </u>	<u> </u>
\$ -	\$ 1,559	\$ 1,680	\$ 3,247
<u>-</u>	<u>1,559</u>	<u>1,680</u>	<u>3,247</u>
544	-	42	586
-	4,230	-	4,230
-	-	-	881
213,965	445,205	16,770	729,557
<u>16,040</u>	<u>109,465</u>	<u>7,064</u>	<u>241,194</u>
<u>230,549</u>	<u>558,900</u>	<u>23,876</u>	<u>976,448</u>
<u>(230,549)</u>	<u>(557,341)</u>	<u>(22,196)</u>	<u>(973,201)</u>
-	23,871	-	33,606
139,189	417,610	-	660,249
-	(134,951)	-	(247,256)
91,360	239,939	29,575	523,131
<u>-</u>	<u>-</u>	<u>(1)</u>	<u>(1)</u>
<u>230,549</u>	<u>546,469</u>	<u>29,574</u>	<u>969,730</u>
-	(10,872)	7,378	(3,471)
<u>-</u>	<u>204,379</u>	<u>164,146</u>	<u>369,613</u>
<u>\$ -</u>	<u>\$ 193,507</u>	<u>\$ 171,524</u>	<u>\$ 366,141</u>



CAPITAL PROJECTS FUNDS

COMBINED RECREATION BOND FUND - STATE PROJECTS

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

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

ADVANCE FINANCING FUNDS

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

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

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

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

STATE BUILDING AUTHORITY

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

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

Michigan

**COMBINING BALANCE SHEET
CAPITAL PROJECTS FUNDS
SEPTEMBER 30, 2004
(In Thousands)**

	COMBINED RECREATION BOND FUND- STATE PROJECTS	ADVANCE FINANCING FUNDS	STATE BUILDING AUTHORITY	TOTALS
ASSETS				
Current Assets:				
Equity in common cash	\$ 3,128	\$ -	\$ -	\$ 3,128
Amounts due from other funds	-	45,595	-	45,595
Amounts due from component units	-	1,779	-	1,779
Amounts due from federal agencies	-	6	-	6
Amounts due from local units	-	3,794	-	3,794
Investments	-	-	60,863	60,863
Other current assets	-	1,536	81	1,617
Total Current Assets	<u>3,128</u>	<u>52,710</u>	<u>60,944</u>	<u>116,782</u>
Total Assets	<u>\$ 3,128</u>	<u>\$ 52,710</u>	<u>\$ 60,944</u>	<u>\$ 116,782</u>
LIABILITIES AND FUND BALANCES				
Current Liabilities:				
Warrants outstanding	\$ 18	\$ 51	\$ -	\$ 69
Accounts payable and other liabilities	241	38,155	9	38,405
Amounts due to other funds	-	32,876	46,955	79,831
Bonds and notes payable	-	-	449,170	449,170
Interest payable	-	-	367	367
Total Current Liabilities	<u>259</u>	<u>71,082</u>	<u>496,502</u>	<u>567,842</u>
Total Liabilities	<u>259</u>	<u>71,082</u>	<u>496,502</u>	<u>567,842</u>
Fund Balances:				
Unreserved	<u>2,869</u>	<u>(18,371)</u>	<u>(435,558)</u>	<u>(451,060)</u>
Total Fund Balances	<u>2,869</u>	<u>(18,371)</u>	<u>(435,558)</u>	<u>(451,060)</u>
Total Liabilities and Fund Balances	<u>\$ 3,128</u>	<u>\$ 52,710</u>	<u>\$ 60,944</u>	<u>\$ 116,782</u>

Michigan

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

CAPITAL PROJECTS FUNDS

FISCAL YEAR ENDED SEPTEMBER 30, 2004

(In Thousands)

	<u>COMBINED RECREATION BOND FUND- STATE PROJECTS</u>	<u>ADVANCE FINANCING FUNDS</u>	<u>STATE BUILDING AUTHORITY</u>	<u>TOTALS</u>
REVENUES				
Miscellaneous	\$ 100	\$ 53	\$ 22,542	\$ 22,695
Total Revenues	<u>100</u>	<u>53</u>	<u>22,542</u>	<u>22,695</u>
EXPENDITURES				
Current:				
General government	-	290	-	290
Education	-	4	135,838	135,842
Capital outlay	<u>10,268</u>	<u>10,434</u>	<u>15,663</u>	<u>36,364</u>
Total Expenditures	<u>10,268</u>	<u>10,728</u>	<u>151,500</u>	<u>172,496</u>
Excess of Revenues over (under) Expenditures	<u>(10,168)</u>	<u>(10,675)</u>	<u>(128,958)</u>	<u>(149,801)</u>
OTHER FINANCING SOURCES (USES)				
Bonds and notes issued	-	-	130,330	130,330
Proceeds from sale of capital assets	-	438	-	438
Premium on bond issuance	-	-	6,799	6,799
Transfers from other funds	-	49,906	-	49,906
Transfers to other funds	<u>(322)</u>	<u>-</u>	<u>(51,787)</u>	<u>(52,109)</u>
Total Other Financing Sources (Uses)	<u>(322)</u>	<u>50,343</u>	<u>85,342</u>	<u>135,364</u>
Excess of Revenues and Other Sources over (under) Expenditures and Other Uses	<u>(10,490)</u>	<u>39,669</u>	<u>(43,617)</u>	<u>(14,438)</u>
Fund Balances - Beginning of fiscal year	<u>13,358</u>	<u>(58,040)</u>	<u>(391,941)</u>	<u>(436,623)</u>
Fund Balances - End of fiscal year	<u>\$ 2,869</u>	<u>\$ (18,371)</u>	<u>\$ (435,558)</u>	<u>\$ (451,060)</u>



PERMANENT FUNDS

MICHIGAN NATURAL RESOURCES TRUST FUND

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

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

MICHIGAN STATE PARKS ENDOWMENT FUND

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

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

MICHIGAN CIVILIAN CONSERVATION CORPS ENDOWMENT FUND

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

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

MICHIGAN VETERANS' TRUST FUND

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

CHILDREN'S TRUST FUND

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

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

Michigan

**COMBINING BALANCE SHEET
PERMANENT FUNDS
SEPTEMBER 30, 2004
(In Thousands)**

	<u>MICHIGAN NATURAL RESOURCES TRUST FUND</u>	<u>MICHIGAN STATE PARKS ENDOWMENT FUND</u>	<u>MICHIGAN CIVILIAN CONSERVATION CORPS ENDOWMENT FUND</u>
ASSETS			
Current Assets:			
Equity in common cash	\$ 177,735	\$ 69,406	\$ 6,785
Amounts due from local units	-	-	-
Securities lending collateral	4,948	5,541	1,020
Other current assets	8,186	315	79
Total Current Assets	<u>190,868</u>	<u>75,261</u>	<u>7,885</u>
Investments	<u>170,512</u>	<u>72,494</u>	<u>13,527</u>
Total Assets	<u>\$ 361,380</u>	<u>\$ 147,756</u>	<u>\$ 21,412</u>
LIABILITIES AND FUND BALANCES			
Current Liabilities:			
Warrants outstanding	\$ 80	\$ 92	\$ 18
Obligations under security lending	4,948	5,541	1,020
Accounts payable and other liabilities	28,515	13,032	94
Amounts due to other funds	11	32	2
Amounts due to component units	-	-	-
Total Current Liabilities	<u>33,553</u>	<u>18,697</u>	<u>1,135</u>
Total Liabilities	<u>33,553</u>	<u>18,697</u>	<u>1,135</u>
Fund Balances:			
Reserves For:			
Budgetary Carry-Forwards:			
Encumbrances	11,005	2,264	-
Multi-year projects	34,320	3,422	-
Funds held as permanent investments	250,729	112,499	19,904
Total Reserved	<u>296,055</u>	<u>118,185</u>	<u>19,904</u>
Unreserved	<u>31,773</u>	<u>10,874</u>	<u>372</u>
Total Fund Balances	<u>327,827</u>	<u>129,058</u>	<u>20,277</u>
Total Liabilities and Fund Balances	<u>\$ 361,380</u>	<u>\$ 147,756</u>	<u>\$ 21,412</u>

Michigan

<u>MICHIGAN VETERANS' TRUST FUND</u>	<u>CHILDREN'S TRUST FUND</u>	<u>TOTALS</u>
\$ 9,622	\$ 8,465	\$ 272,013
101	-	101
2,962	3,063	17,532
336	155	9,072
<u>13,022</u>	<u>11,683</u>	<u>298,719</u>
39,088	14,334	309,955
<u>\$ 52,110</u>	<u>\$ 26,017</u>	<u>\$ 608,674</u>
\$ 4	\$ 10	\$ 205
2,962	3,063	17,532
1,410	1,158	44,210
6	3	54
120	-	120
<u>4,502</u>	<u>4,234</u>	<u>62,121</u>
4,502	4,234	62,121
1	5	13,275
-	-	37,743
49,000	20,625	452,758
<u>49,001</u>	<u>20,630</u>	<u>503,775</u>
(1,393)	1,152	42,778
<u>47,608</u>	<u>21,782</u>	<u>546,553</u>
<u>\$ 52,110</u>	<u>\$ 26,017</u>	<u>\$ 608,674</u>

Michigan

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

PERMANENT FUNDS

FISCAL YEAR ENDED SEPTEMBER 30, 2004

(In Thousands)

	<u>MICHIGAN NATURAL RESOURCES TRUST FUND</u>	<u>MICHIGAN STATE PARKS ENDOWMENT FUND</u>	<u>MICHIGAN CIVILIAN CONSERVATION CORPS ENDOWMENT FUND</u>
REVENUES			
From federal agencies	\$ -	\$ -	\$ -
Miscellaneous	<u>59,705</u>	<u>5,071</u>	<u>690</u>
Total Revenues	<u>59,705</u>	<u>5,071</u>	<u>690</u>
EXPENDITURES			
Current:			
General government	402	206	38
Family independence services	-	-	-
Public safety and corrections	-	-	-
Conservation, environment, recreation, and agriculture	2,578	10,705	905
Capital outlay	<u>15,723</u>	<u>1,680</u>	<u>-</u>
Total Expenditures	<u>18,702</u>	<u>12,591</u>	<u>943</u>
Excess of Revenues over (under) Expenditures	<u>41,003</u>	<u>(7,520)</u>	<u>(253)</u>
OTHER FINANCING SOURCES (USES)			
Proceeds from sale of capital assets	5,286	-	-
Transfers from other funds	-	10,000	-
Transfers to other funds	<u>(10,034)</u>	<u>(25)</u>	<u>(5)</u>
Total Other Financing Sources (Uses)	<u>(4,748)</u>	<u>9,975</u>	<u>(5)</u>
Excess of Revenues and Other Sources over (under) Expenditures and Other Uses	36,255	2,455	(258)
Fund Balances - Beginning of fiscal year	<u>291,572</u>	<u>126,604</u>	<u>20,535</u>
Fund Balances - End of fiscal year	<u>\$ 327,827</u>	<u>\$ 129,058</u>	<u>\$ 20,277</u>

Michigan

<u>MICHIGAN VETERANS' TRUST FUND</u>	<u>CHILDREN'S TRUST FUND</u>	<u>TOTALS</u>
\$ -	\$ 832	\$ 832
<u>2,581</u>	<u>1,648</u>	<u>69,695</u>
2,581	2,480	70,528
65	-	711
-	2,695	2,695
2,695	-	2,695
-	-	14,188
<u>-</u>	<u>-</u>	<u>17,403</u>
2,760	2,695	37,691
<u>(179)</u>	<u>(215)</u>	<u>32,836</u>
-	-	5,286
-	-	10,000
<u>(31)</u>	<u>(3)</u>	<u>(10,098)</u>
(31)	(3)	5,188
(210)	(218)	38,024
<u>47,818</u>	<u>22,000</u>	<u>508,529</u>
<u>\$ 47,608</u>	<u>\$ 21,782</u>	<u>\$ 546,553</u>

Michigan

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

FISCAL YEAR ENDED SEPTEMBER 30, 2004

(In Thousands)

Statutory/Budgetary Basis	MICHIGAN NATURAL RESOURCES TRUST FUND			MICHIGAN STATE PARKS ENDOWMENT FUND		
	BUDGET	ACTUAL	VARIANCE	BUDGET	ACTUAL	VARIANCE
REVENUES AND OTHER SOURCES						
From federal agencies	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Miscellaneous	59,705	59,705	-	5,071	5,071	-
Proceeds from sale of capital assets	5,286	5,286	-	-	-	-
Transfers in	-	-	-	10,000	10,000	-
Total Revenues and Other Sources	64,991	64,991	-	15,071	15,071	-
EXPENDITURES, TRANSFERS OUT, AND ENCUMBRANCES - BY BRANCH, DEPARTMENT/AGENCY						
Family Independence Agency	-	-	-	-	-	-
Military and Veterans Affairs	-	-	-	-	-	-
Natural Resources	40,885	39,339	1,546	14,942	14,674	268
Treasury	402	402	-	206	206	-
Total Expenditures, Transfers Out, and Encumbrances	41,287	39,741	1,546	15,148	14,880	268
Revenues and Other Sources over (under) Expenditures, Encumbrances, and Other Uses (Statutory/budgetary basis)	<u>\$ 23,704</u>	<u>25,250</u>	<u>\$ 1,546</u>	<u>\$ (78)</u>	<u>191</u>	<u>\$ 268</u>
Reconciling Items:						
Encumbrances at September 30		11,005			2,264	
Net Reconciling Items		11,005			2,264	
Excess of Revenues and Other Sources over (under) Expenditures and Other Uses (GAAP Basis)		36,255			2,455	
FUND BALANCES (GAAP BASIS)						
Beginning balances		291,572			126,604	
Ending balances (GAAP Basis)		<u>\$ 327,827</u>			<u>\$ 129,058</u>	

Michigan

MICHIGAN CIVILIAN CONSERVATION CORPS ENDOWMENT FUND			MICHIGAN VETERANS' TRUST FUND		
BUDGET	ACTUAL	VARIANCE	BUDGET	ACTUAL	VARIANCE
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
690	690	-	2,581	2,581	-
-	-	-	-	-	-
690	690	-	2,582	2,582	-
-	-	-	-	-	-
1,033	910	123	4,777	2,728	2,049
38	38	-	65	65	-
1,071	948	123	4,841	2,793	2,049
\$ (381)	(258)	\$ 123	\$ (2,260)	(211)	\$ 2,049
	-			1	
	-			1	
	(258)			(210)	
	20,535			47,818	
	\$ 20,277			\$ 47,608	

This schedule continued on next page.

Michigan

**COMBINING SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL -
PERMANENT FUNDS (Continued)**
FISCAL YEAR ENDED SEPTEMBER 30, 2004
(In Thousands)

<u>Statutory/Budgetary Basis</u>	CHILDREN'S TRUST FUND			TOTALS		
	BUDGET	ACTUAL	VARIANCE	BUDGET	ACTUAL	VARIANCE
REVENUES AND OTHER SOURCES						
From federal agencies	\$ 832	\$ 832	\$ -	\$ 832	\$ 832	\$ -
Miscellaneous	1,648	1,648	-	69,695	69,695	-
Proceeds from sale of capital assets	-	-	-	5,286	5,286	-
Transfers in	-	-	-	10,000	10,000	-
Total Revenues and Other Sources	2,480	2,480	-	85,814	85,814	-
EXPENDITURES, TRANSFERS OUT, AND ENCUMBRANCES - BY BRANCH, DEPARTMENT/AGENCY						
Family Independence Agency	4,104	2,703	1,401	4,104	2,703	1,401
Military and Veterans Affairs	-	-	-	4,777	2,728	2,049
Natural Resources	-	-	-	56,860	54,923	1,937
Treasury	-	-	-	711	711	-
Total Expenditures, Transfers Out, and Encumbrances	4,104	2,703	1,401	66,452	61,065	5,387
Revenues and Other Sources over (under) Expenditures, Encumbrances, and Other Uses (Statutory/budgetary basis)	<u>\$ (1,624)</u>	<u>(222)</u>	<u>\$ 1,401</u>	<u>\$ 19,362</u>	<u>24,749</u>	<u>\$ 5,387</u>
Reconciling Items:						
Encumbrances at September 30		5			13,275	
Net Reconciling Items		5			13,275	
Excess of Revenues and Other Sources over (under) Expenditures and Other Uses (GAAP Basis)		(218)			38,024	
FUND BALANCES (GAAP BASIS)						
Beginning balances		22,000			508,529	
Ending balances (GAAP Basis)		\$ 21,782			\$ 546,553	

ENTERPRISE FUNDS

LIQUOR PURCHASE REVOLVING FUND

Public Act 259 of 1941 authorized the creation of the Liquor Purchase Revolving Fund. The Liquor Control Commission, within the Department of Labor and Economic Growth, is primarily responsible for the fund. Under State monopoly, liquor is sold at wholesale through a State controlled, privately operated distribution system. The fund accounts for the sales of and the replenishing and transporting of the liquor stock. Administrative, warehousing, and delivery costs are paid for through the fund. At the end of each fiscal year, the "net income" of the fund is transferred to the General Fund in accordance with P.A. 431 of 1984.

ATTORNEY DISCIPLINE SYSTEM

The Attorney Discipline System consists of the Attorney Grievance Commission and the Attorney Discipline Board. This system provides the courts, legal profession, and the general public with a means to ensure that complaints against attorneys for potential violations of the Court Rules and the Michigan Rules of Professional Conduct are properly heard and investigated, and that sanctions are imposed where required. The Attorney Discipline System is under the supervision of the Michigan Supreme Court.

The Attorney Discipline System receives revenue in the form of mandatory annual assessments on members of the State Bar of Michigan, provided for by Court Rules. This system also receives other revenue, primarily through the assessment of administrative fees and the recovery of costs, including subpoena fees and transcript costs.

Michigan

STATEMENT OF NET ASSETS
ENTERPRISE FUNDS
 SEPTEMBER 30, 2004
 (In Thousands)

ASSETS	<u>LIQUOR PURCHASE REVOLVING FUND</u>	<u>ATTORNEY DISCIPLINE SYSTEM</u>	<u>TOTALS</u>
Current Assets:			
Cash	\$ 1	\$ 1,193	\$ 1,194
Equity in common cash	60,064	-	60,064
Inventories	3,501	-	3,501
Investments	-	1,163	1,163
Other current assets	7,370	57	7,427
Total Current Assets	<u>70,935</u>	<u>2,414</u>	<u>73,349</u>
Capital Assets:			
Buildings and equipment	-	722	722
Allowance for depreciation	-	(669)	(669)
Total capital assets	<u>-</u>	<u>53</u>	<u>53</u>
Total Assets	<u>\$ 70,935</u>	<u>\$ 2,467</u>	<u>\$ 73,403</u>
LIABILITIES			
Current Liabilities:			
Warrants outstanding	\$ 6,677	\$ -	\$ 6,677
Accounts payable and other liabilities	58,522	172	58,694
Amounts due to other funds	77	-	77
Deferred revenue	-	695	695
Current portion of other long-term obligations	196	-	196
Total Current Liabilities	<u>65,472</u>	<u>867</u>	<u>66,339</u>
Long-Term Liabilities:			
Noncurrent portion of other long-term obligations	588	-	588
Total Liabilities	<u>66,060</u>	<u>867</u>	<u>66,927</u>
NET ASSETS			
Invested in capital assets, net of related debt	\$ -	\$ 53	\$ 53
Unrestricted	4,876	1,547	6,423
Total Net Assets	<u>\$ 4,876</u>	<u>\$ 1,600</u>	<u>\$ 6,476</u>

Michigan

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS

ENTERPRISE FUNDS

FISCAL YEAR ENDED SEPTEMBER 30, 2004

(In Thousands)

	LIQUOR PURCHASE REVOLVING FUND	ATTORNEY DISCIPLINE SYSTEM	TOTALS
OPERATING REVENUES			
Operating revenues	\$ 675,747	\$ 4,593	\$ 680,340
Total Operating Revenues	<u>675,747</u>	<u>4,593</u>	<u>680,340</u>
OPERATING EXPENSES			
Salaries, wages, and other administrative	50,149	4,032	54,181
Depreciation	-	24	24
Purchases for resale	493,271	-	493,271
Premiums and claims	1	-	1
Other operating expenses	1,262	-	1,262
Total Operating Expenses	<u>544,683</u>	<u>4,056</u>	<u>548,739</u>
Operating Income (Loss)	<u>131,064</u>	<u>537</u>	<u>131,601</u>
NONOPERATING REVENUES (EXPENSES)			
Specific tax on spirits	11,989	-	11,989
Interest revenue	1,127	50	1,177
Investment revenue (expense) - net	-	48	48
Total Nonoperating Revenues (Expenses)	<u>13,116</u>	<u>98</u>	<u>13,214</u>
Income (Loss) Before Capital Contributions and Transfers	<u>144,180</u>	<u>636</u>	<u>144,815</u>
CAPITAL CONTRIBUTIONS AND TRANSFERS			
Transfers to other funds	(144,180)	-	(144,180)
Total Capital Contributions and Transfers In (Out)	<u>(144,180)</u>	<u>-</u>	<u>(144,180)</u>
Change in net assets	<u>-</u>	<u>636</u>	<u>636</u>
Total net assets - Beginning of fiscal year	<u>4,876</u>	<u>965</u>	<u>5,841</u>
Total net assets - End of fiscal year	<u>\$ 4,876</u>	<u>\$ 1,600</u>	<u>\$ 6,476</u>

Michigan

STATEMENT OF CASH FLOWS ENTERPRISE FUNDS

FISCAL YEAR ENDED SEPTEMBER 30, 2004

(In Thousands)

	LIQUOR PURCHASE REVOLVING FUND	ATTORNEY DISCIPLINE SYSTEM	TOTALS
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers	\$ 675,747	\$ -	\$ 675,747
Membership dues	-	4,791	4,791
Payments to employees	(10,139)	(3,207)	(13,347)
Payments to suppliers	(523,629)	(495)	(524,124)
Other receipts	-	167	167
Other payments	(4,784)	(343)	(5,127)
Net cash provided (used)			
by operating activities	<u>\$ 137,195</u>	<u>\$ 912</u>	<u>\$ 138,107</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Specific tax on spirits	\$ 11,989	\$ -	\$ 11,989
Transfers to other funds	(144,180)	-	(144,180)
Net cash provided (used)			
by noncapital financing activities	<u>\$ (132,191)</u>	<u>\$ -</u>	<u>\$ (132,191)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from sale and maturities of investment securities	\$ -	\$ (26)	\$ (26)
Interest and dividends on investments	1,127	50	1,177
Net cash provided (used)			
by investing activities	<u>\$ 1,127</u>	<u>\$ 24</u>	<u>\$ 1,151</u>
Net cash provided (used) - all activities	\$ 6,131	\$ 936	\$ 7,067
Cash and cash equivalents at beginning of year	47,256	257	47,514
Cash and cash equivalents at end of year	<u><u>\$ 53,387</u></u>	<u><u>\$ 1,193</u></u>	<u><u>\$ 54,580</u></u>
RECONCILIATION OF CASH AND CASH EQUIVALENTS			
Per Statement of Net Assets Classifications:			
Cash	\$ 1	\$ 1,193	\$ 1,194
Equity in common cash	60,064	-	60,064
Warrants outstanding	(6,677)	-	(6,677)
Cash and cash equivalents at end of year	<u><u>\$ 53,387</u></u>	<u><u>\$ 1,193</u></u>	<u><u>\$ 54,580</u></u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES			
Operating income (loss)	\$ 131,064	\$ 537	\$ 131,601
Adjustments to Reconcile Operating Income to Net Cash Provided (Used)			
by Operating Activities:			
Depreciation expense	-	24	24
Net Changes in Assets and Liabilities:			
Inventories	161	-	161
Other assets (net)	(3,555)	49	(3,506)
Accounts payable and other liabilities	9,525	(63)	9,462
Deferred revenue	-	365	365
Net cash provided (used)			
by operating activities	<u><u>\$ 137,195</u></u>	<u><u>\$ 912</u></u>	<u><u>\$ 138,107</u></u>

INTERNAL SERVICE FUNDS

CORRECTIONAL INDUSTRIES REVOLVING FUND

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

Public Act 205 of 1986 stipulates that the fund repay the General Fund for the cost of building and equipping prison factories included as part of new prison construction. The costs of buildings and equipment are to be repaid over 30 years and 10 years respectively. The repayment provisions, as stipulated in Executive Order 1992-13, resulted in no required payment in fiscal year 2003-2004.

MOTOR TRANSPORT FUND

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

OFFICE SERVICES REVOLVING FUND

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

INFORMATION TECHNOLOGY FUND

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

RISK MANAGEMENT FUND

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

STATE SPONSORED GROUP INSURANCE FUND

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

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

Michigan

COMBINING STATEMENT OF NET ASSETS
INTERNAL SERVICE FUNDS
 SEPTEMBER 30, 2004
 (In Thousands)

	CORRECTIONAL INDUSTRIES REVOLVING FUND	MOTOR TRANSPORT FUND	OFFICE SERVICES REVOLVING FUND
ASSETS			
Current Assets:			
Cash	\$ -	\$ -	\$ -
Equity in common cash	1,429	-	285
Amounts due from other funds	-	-	-
Amounts due from component units	-	-	-
Inventories	10,943	312	3,493
Other current assets	229	9,699	1,406
Total Current Assets	<u>12,601</u>	<u>10,011</u>	<u>5,184</u>
Capital Assets:			
Buildings and equipment	49,458	12,537	24,388
Allowance for depreciation	(21,751)	(10,540)	(14,955)
Total capital assets	<u>27,707</u>	<u>1,997</u>	<u>9,432</u>
Total Assets	<u>\$ 40,308</u>	<u>\$ 12,008</u>	<u>\$ 14,616</u>
LIABILITIES			
Current Liabilities:			
Warrants outstanding	\$ 249	\$ 10	\$ 267
Accounts payable and other liabilities	1,285	1,949	8,413
Amounts due to other funds	122	6,937	5,237
Deferred revenue	-	3	-
Current portion of other long-term obligations	114	29	1,897
Total Current Liabilities	<u>1,771</u>	<u>8,928</u>	<u>15,814</u>
Long-Term Liabilities:			
Advances from other funds	6,768	-	-
Noncurrent portion of other long-term obligations	1,399	385	3,508
Total Liabilities	<u>\$ 9,938</u>	<u>\$ 9,314</u>	<u>\$ 19,323</u>
NET ASSETS			
Invested in capital assets, net of related debt	\$ 27,707	\$ 1,997	\$ 6,267
Restricted for other purposes	2,664	697	-
Unrestricted	-	-	(10,974)
Total Net Assets	<u>\$ 30,371</u>	<u>\$ 2,695</u>	<u>\$ (4,707)</u>

Michigan

INFORMATION TECHNOLOGY FUND	RISK MANAGEMENT FUND	STATE SPONSORED GROUP INSURANCE FUND	TOTALS
\$ 1	\$ -	\$ 90	\$ 91
25,697	8,310	238,716	274,437
-	-	31,180	31,180
-	-	152	152
155	-	-	14,904
131	1,501	7,328	20,293
<u>25,984</u>	<u>9,811</u>	<u>277,466</u>	<u>341,057</u>
355,702	4	303	442,392
(292,584)	(4)	(303)	(340,138)
63,118	-	-	102,254
<u>\$ 89,102</u>	<u>\$ 9,811</u>	<u>\$ 277,466</u>	<u>\$ 443,311</u>
\$ 1,790	\$ -	\$ 1,273	\$ 3,589
36,063	780	21,319	69,809
1,118	6	-	13,419
6,511	-	223	6,737
11,408	2,562	80,451	96,461
<u>56,890</u>	<u>3,347</u>	<u>103,266</u>	<u>190,016</u>
-	-	-	6,768
27,082	5,058	87,474	124,907
<u>\$ 83,972</u>	<u>\$ 8,406</u>	<u>\$ 190,740</u>	<u>\$ 321,691</u>
\$ 46,696	\$ -	\$ -	\$ 82,667
-	-	-	3,361
(41,566)	1,405	86,726	35,591
<u>\$ 5,130</u>	<u>\$ 1,405</u>	<u>\$ 86,726</u>	<u>\$ 121,620</u>

Michigan

COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS

INTERNAL SERVICE FUNDS

FISCAL YEAR ENDED SEPTEMBER 30, 2004

(In Thousands)

	CORRECTIONAL INDUSTRIES REVOLVING FUND	MOTOR TRANSPORT FUND	OFFICE SERVICES REVOLVING FUND
	<u> </u>	<u> </u>	<u> </u>
OPERATING REVENUES			
Operating revenues	\$ 36,472	\$ 59,710	\$ 73,126
	<u>36,472</u>	<u>59,710</u>	<u>73,126</u>
Total Operating Revenues			
	<u>36,472</u>	<u>59,710</u>	<u>73,126</u>
OPERATING EXPENSES			
Salaries, wages, and other administrative	22,548	4,636	27,911
Interest expense	-	-	-
Depreciation	1,691	1,361	2,062
Purchases for resale	-	-	43,058
Purchases for prison industries	14,204	-	-
Premiums and claims	-	2,078	1
Other operating expenses:			
Leased vehicles expense	-	29,537	-
Vehicle maintenance expense	-	21,500	-
Miscellaneous	-	-	-
Total other operating expenses	<u>-</u>	<u>51,037</u>	<u>-</u>
	<u>38,443</u>	<u>59,112</u>	<u>73,031</u>
Total Operating Expenses			
	<u>38,443</u>	<u>59,112</u>	<u>73,031</u>
Operating Income (Loss)	<u>(1,972)</u>	<u>598</u>	<u>95</u>
NONOPERATING REVENUES (EXPENSES)			
Interest revenue	-	-	-
Other nonoperating revenues	-	121	9
Interest expense	(292)	-	(199)
Other nonoperating expense	<u>(744)</u>	<u>(1)</u>	<u>(46)</u>
Total Nonoperating Revenues (Expenses)	<u>(1,036)</u>	<u>120</u>	<u>(236)</u>
	<u>(1,036)</u>	<u>120</u>	<u>(236)</u>
Income (Loss) Before Capital Contributions and Transfers	<u>(3,008)</u>	<u>718</u>	<u>(141)</u>
CAPITAL CONTRIBUTIONS AND TRANSFERS			
Capital contributions from other funds	-	-	-
Transfers to other funds	<u>(205)</u>	<u>(57)</u>	<u>(120)</u>
Total Capital Contributions and Transfers In (Out)	<u>(205)</u>	<u>(57)</u>	<u>(120)</u>
	<u>(205)</u>	<u>(57)</u>	<u>(120)</u>
Change in net assets	<u>(3,212)</u>	<u>661</u>	<u>(261)</u>
Total net assets - Beginning of fiscal year	<u>33,583</u>	<u>2,033</u>	<u>(4,445)</u>
Total net assets - End of fiscal year	<u>\$ 30,371</u>	<u>\$ 2,695</u>	<u>\$ (4,707)</u>

Michigan

INFORMATION TECHNOLOGY FUND	RISK MANAGEMENT FUND	STATE SPONSORED GROUP INSURANCE FUND	TOTALS
\$ 448,612	\$ 4,623	\$ 946,525	\$ 1,569,067
<u>448,612</u>	<u>4,623</u>	<u>946,525</u>	<u>1,569,067</u>
407,111	948	58,608	521,761
18	-	-	18
43,852	-	-	48,966
-	-	-	43,058
-	-	-	14,204
5	3,122	889,632	894,837
59	-	-	29,596
-	-	-	21,500
3	-	-	3
<u>62</u>	<u>-</u>	<u>-</u>	<u>51,099</u>
451,048	4,070	948,240	1,573,943
<u>(2,436)</u>	<u>553</u>	<u>(1,715)</u>	<u>(4,876)</u>
-	-	3,025	3,025
500	-	-	630
(723)	-	-	(1,214)
-	-	-	(791)
<u>(223)</u>	<u>-</u>	<u>3,025</u>	<u>1,651</u>
<u>(2,659)</u>	<u>553</u>	<u>1,311</u>	<u>(3,226)</u>
1,125	-	-	1,125
(795)	(8)	(5)	(1,190)
<u>330</u>	<u>(8)</u>	<u>(5)</u>	<u>(64)</u>
(2,329)	545	1,306	(3,290)
7,459	860	85,420	124,910
<u>\$ 5,130</u>	<u>\$ 1,405</u>	<u>\$ 86,726</u>	<u>\$ 121,620</u>

COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FISCAL YEAR ENDED SEPTEMBER 30, 2004
(In Thousands)

	CORRECTIONAL INDUSTRIES REVOLVING FUND	MOTOR TRANSPORT FUND	OFFICE SERVICES REVOLVING FUND
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers	\$ 36,483	\$ 58,284	\$ 72,969
Payments to employees	(13,550)	(2,598)	(10,082)
Payments to suppliers	(13,253)	(51,233)	(55,565)
Claims paid	-	-	-
Other receipts	-	311	-
Other payments	(8,784)	-	-
Net cash provided (used) by operating activities	<u>\$ 895</u>	<u>\$ 4,764</u>	<u>\$ 7,322</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Loans or loan repayments from other funds	\$ 292	\$ 6,914	\$ 5,126
Loans or loan repayments to other funds	-	(11,714)	(7,941)
Transfers to other funds	(205)	(57)	(120)
Other receipts	-	-	9
Net cash provided (used) by noncapital financing activities	<u>\$ 88</u>	<u>\$ (4,856)</u>	<u>\$ (2,926)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Acquisition and construction of capital assets	\$ (966)	\$ -	\$ (61)
Interest paid	(292)	-	-
Capital lease payments (including imputed interest expense)	-	-	(1,384)
Proceeds from sale of capital assets	-	120	59
Net cash provided (used) by capital and related financing activities	<u>\$ (1,258)</u>	<u>\$ 120</u>	<u>\$ (1,386)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest and dividends on investments	\$ -	\$ -	\$ -
Net cash provided (used) by investing activities	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Net cash provided (used) - all activities	\$ (275)	\$ 28	\$ 3,010
Cash and cash equivalents at beginning of year	1,455	(38)	(2,992)
Cash and cash equivalents at end of year	<u><u>\$ 1,180</u></u>	<u><u>\$ (10)</u></u>	<u><u>\$ 18</u></u>
RECONCILIATION OF CASH AND CASH EQUIVALENTS			
Per Statement of Net Assets Classifications:			
Cash	\$ -	\$ -	\$ -
Equity in common cash	1,429	-	285
Warrants outstanding	(249)	(10)	(267)
Cash and cash equivalents at end of year	<u>\$ 1,180</u>	<u>\$ (10)</u>	<u>\$ 18</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES			
Operating income (loss)	\$ (1,972)	\$ 598	\$ 95
Adjustments to Reconcile Operating Income to Net Cash Provided (Used) by Operating Activities:			
Depreciation expense	1,691	1,361	2,062
Net Changes in Assets and Liabilities:			
Inventories	1,059	(45)	1,332
Other assets (net)	11	4,026	(907)
Accounts payable and other liabilities	105	(1,175)	4,741
Net cash provided (used) by operating activities	<u>\$ 895</u>	<u>\$ 4,764</u>	<u>\$ 7,322</u>
SCHEDULE OF NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES			
Capital contributions	\$ -	\$ -	\$ -
Cost of capital assets acquisitions			
financed by capital leases	-	-	590
Capital lease liabilities entered into during the year	-	-	(590)
Gain (loss) on disposal of capital assets	(292)	-	(46)
Total noncash investing, capital, and financing activities	<u>\$ (292)</u>	<u>\$ -</u>	<u>\$ (46)</u>

Michigan

INFORMATION TECHNOLOGY FUND	RISK MANAGEMENT FUND	STATE SPONSORED GROUP INSURANCE FUND	TOTALS
\$ 450,982	\$ 4,623	\$ 928,980	\$ 1,552,322
(132,035)	(608)	-	(158,873)
(291,209)	(1,192)	(265,677)	(678,130)
-	(3,136)	(677,892)	(681,027)
-	-	-	311
-	-	-	(8,784)
<u>\$ 27,738</u>	<u>\$ (312)</u>	<u>\$ (14,589)</u>	<u>\$ 25,819</u>
\$ -	\$ -	\$ 19,655	\$ 31,987
-	-	(12,040)	(31,695)
(795)	(8)	(5)	(1,190)
-	-	-	9
<u>\$ (795)</u>	<u>\$ (8)</u>	<u>\$ 7,610</u>	<u>\$ (888)</u>
(18,487)	\$ -	\$ -	\$ (19,514)
-	-	-	(292)
(15,653)	-	-	(17,037)
-	-	-	180
<u>\$ (34,140)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (36,664)</u>
\$ -	\$ -	\$ 3,025	\$ 3,025
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,025</u>	<u>\$ 3,025</u>
\$ (7,197)	\$ (321)	\$ (3,954)	\$ (8,708)
31,105	8,631	241,487	279,647
<u>\$ 23,908</u>	<u>\$ 8,310</u>	<u>\$ 237,533</u>	<u>\$ 270,939</u>
\$ 1	\$ -	\$ 90	\$ 91
25,697	8,310	238,716	274,437
(1,790)	-	(1,273)	(3,589)
<u>\$ 23,908</u>	<u>\$ 8,310</u>	<u>\$ 237,533</u>	<u>\$ 270,939</u>
\$ (2,436)	\$ 553	\$ (1,715)	\$ (4,876)
43,852	-	-	48,966
-	-	-	2,346
102	5	(15,840)	(12,603)
(13,779)	(871)	2,965	(8,014)
<u>\$ 27,738</u>	<u>\$ (312)</u>	<u>\$ (14,589)</u>	<u>\$ 25,819</u>
\$ 1,125	\$ -	\$ -	\$ 1,125
9,986	-	-	10,576
(9,986)	-	-	(10,576)
-	-	-	(339)
<u>\$ 1,125</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 786</u>



PENSION (AND OTHER EMPLOYEE BENEFIT) TRUST FUNDS

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

STATE EMPLOYEES' DEFERRED COMPENSATION FUNDS

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

LEGISLATIVE RETIREMENT FUND

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

Public Act 486 of 1996 amended LRS' enabling legislation to provide that individuals who first became a legislator or lieutenant governor on or after March 31, 1997, participate in the State's defined contribution plan.

STATE POLICE RETIREMENT FUND

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

STATE EMPLOYEES' RETIREMENT FUND

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

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

PUBLIC SCHOOL EMPLOYEES' RETIREMENT FUND

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

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

JUDGES' RETIREMENT FUND

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

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

STATE EMPLOYEES' DEFINED CONTRIBUTION RETIREMENT FUND

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

Michigan

**COMBINING STATEMENT OF FIDUCIARY NET ASSETS
PENSION (AND OTHER EMPLOYEE BENEFIT) TRUST FUNDS
SEPTEMBER 30, 2004
(In Thousands)**

	STATE EMPLOYEES' DEFERRED COMPENSATION FUNDS	LEGISLATIVE RETIREMENT FUND	STATE POLICE RETIREMENT FUND
ASSETS	<u> </u>	<u> </u>	<u> </u>
Cash	\$ -	\$ -	\$ -
Equity in common cash	814	3,448	8,386
Receivables:			
Employee	97,933	-	-
Employer	432	116	-
Interest and dividends	-	60	3
Due from other funds	24	-	1,543
Sale of investments	-	184	-
Investments at Fair Value:			
Short-term investments	51,404	-	19,504
Bonds, notes, mortgages, and preferred stock	-	-	191,458
Common stock	-	65,973	501,035
Real estate	-	-	76,438
Alternative investments	-	-	132,259
International investments	-	-	112,429
Mutual funds	1,358,405	99,080	-
Pooled investment funds	1,611,540	-	-
Money market funds	60,252	-	-
Securities lending collateral	-	-	65,551
	<u> </u>	<u> </u>	<u> </u>
Total Assets	<u>\$ 3,180,803</u>	<u>\$ 168,861</u>	<u>\$ 1,108,605</u>
LIABILITIES			
Warrants outstanding	\$ -	\$ 31	\$ 224
Accounts payable and other liabilities	-	612	68
Amounts due to other funds	-	2	-
Obligations under security lending	-	-	65,551
	<u> </u>	<u> </u>	<u> </u>
Total Liabilities	<u>\$ -</u>	<u>\$ 645</u>	<u>\$ 65,843</u>
NET ASSETS			
Net assets held in trust for pension, postemployment health-care, and other employee benefits	<u>\$ 3,180,803</u>	<u>\$ 168,216</u>	<u>\$ 1,042,762</u>
Reconciliation of Net Assets Held in Trust:			
Pension benefits	\$ -	\$ 158,423	\$ 1,042,762
Postemployment health-care benefits	-	9,793	-
Other employee benefits	3,180,803	-	-
	<u> </u>	<u> </u>	<u> </u>
Total net assets held in trust for benefits	<u>\$ 3,180,803</u>	<u>\$ 168,216</u>	<u>\$ 1,042,762</u>

Michigan

<u>STATE EMPLOYEES' RETIREMENT FUND</u>	<u>PUBLIC SCHOOL EMPLOYEES' RETIREMENT FUND</u>	<u>JUDGES' RETIREMENT FUND</u>	<u>STATE EMPLOYEES' DEFINED CONTRIBUTION RETIREMENT FUND</u>	<u>TOTALS</u>
\$ 5	\$ 587	\$ -	\$ -	\$ 592
37,345	156,278	2,155	-	208,426
-	-	-	38,409	136,342
87,072	458,465	67	68	546,220
24	92	1	-	179
13,335	-	-	-	14,902
-	-	-	-	184
222,980	1,153,592	6,558	95,117	1,549,154
1,594,598	6,337,628	53,559	-	8,177,244
4,567,228	17,684,366	128,971	-	22,947,573
723,689	2,433,331	26,141	-	3,259,600
1,199,581	4,812,902	25,003	-	6,169,744
1,020,558	3,811,046	25,392	-	4,969,425
-	-	-	220,321	1,677,805
-	-	-	144,703	1,756,243
-	-	-	2,829	63,081
558,059	2,166,910	18,077	-	2,808,598
<u>\$ 10,024,472</u>	<u>\$ 39,015,198</u>	<u>\$ 285,925</u>	<u>\$ 501,447</u>	<u>\$ 54,285,311</u>
\$ 2,790	\$ 7,006	\$ 47	\$ -	\$ 10,098
1,255	68,797	3	-	70,735
-	-	-	24	26
558,059	2,166,910	18,077	-	2,808,598
<u>\$ 562,104</u>	<u>\$ 2,242,713</u>	<u>\$ 18,127</u>	<u>\$ 24</u>	<u>\$ 2,889,457</u>
<u>\$ 9,462,368</u>	<u>\$ 36,772,485</u>	<u>\$ 267,797</u>	<u>\$ 501,423</u>	<u>\$ 51,395,854</u>
\$ 9,428,464	\$ 36,288,507	\$ 268,082	\$ 501,423	\$ 47,687,660
33,905	483,978	(285)	-	527,391
-	-	-	-	3,180,803
<u>\$ 9,462,368</u>	<u>\$ 36,772,485</u>	<u>\$ 267,797</u>	<u>\$ 501,423</u>	<u>\$ 51,395,854</u>

**COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
PENSION (AND OTHER EMPLOYEE BENEFIT) TRUST FUNDS**
FISCAL YEAR ENDED SEPTEMBER 30, 2004
(In Thousands)

	STATE EMPLOYEES' DEFERRED COMPENSATION FUNDS	LEGISLATIVE RETIREMENT FUND	STATE POLICE RETIREMENT FUND
ADDITIONS			
Contributions:			
From participants	\$ 151,419	\$ 197	\$ 1,602
From employers	-	2,947	50,219
From other plans	5,010	-	-
Investment Income:			
Net appreciation (depreciation) in fair value of investments	197,504	15,719	97,723
Interest, dividends, and other	74,530	3,816	22,708
Securities lending income	-	-	704
Less Investment Expense:			
Investment activity expense	-	525	1,689
Securities lending expense	-	-	628
Net investment income (loss)	<u>272,034</u>	<u>19,010</u>	<u>118,817</u>
Miscellaneous income	<u>868</u>	<u>1,231</u>	<u>-</u>
Total Additions	<u>429,330</u>	<u>23,385</u>	<u>170,639</u>
DEDUCTIONS			
Benefits paid to participants or beneficiaries	220,843	8,016	77,592
Medical, dental, and life insurance for retirees	-	3,965	29,195
Refunds and transfers to other systems	1,195	16	1
Administrative expense	5,560	304	316
Transfers to other funds	-	-	1
Total Deductions	<u>227,598</u>	<u>12,301</u>	<u>107,105</u>
Net increase (decrease)	201,732	11,084	63,533
Net assets held in trust for pension, postemployment health-care, and other employee benefits - Beginning of fiscal year	<u>2,979,071</u>	<u>157,132</u>	<u>979,228</u>
Net assets held in trust for pension, postemployment health-care, and other employee benefits - End of fiscal year	<u>\$ 3,180,803</u>	<u>\$ 168,216</u>	<u>\$ 1,042,762</u>
Reconciliation of Net Increase in Assets:			
Net increase (decrease) in assets held in trust for pension benefits	\$ -	\$ 9,686	\$ 65,730
Net increase (decrease) in assets held in trust for postemployment benefits	-	1,398	(2,196)
Net increase (decrease) in assets held in trust for other employee benefits	<u>201,732</u>	<u>-</u>	<u>-</u>
Total net increase (decrease)	<u>\$ 201,732</u>	<u>\$ 11,084</u>	<u>\$ 63,533</u>

Michigan

STATE EMPLOYEES' RETIREMENT FUND	PUBLIC SCHOOL EMPLOYEES' RETIREMENT FUND	JUDGES' RETIREMENT FUND	STATE EMPLOYEES' DEFINED CONTRIBUTION RETIREMENT FUND	TOTALS
\$ 47,406	\$ 509,118	\$ 2,628	\$ 20,070	\$ 732,441
461,428	1,316,478	-	55,983	1,887,056
26	20	-	-	5,055
887,790	3,448,001	22,924	32,279	4,701,940
203,946	776,830	6,221	5,863	1,093,914
6,017	23,292	194	-	30,206
15,266	61,292	349	-	79,120
5,349	20,738	173	-	26,887
<u>1,077,138</u>	<u>4,166,093</u>	<u>28,818</u>	<u>38,143</u>	<u>5,720,053</u>
<u>2</u>	<u>32</u>	<u>215</u>	<u>132</u>	<u>2,480</u>
<u>1,586,001</u>	<u>5,991,741</u>	<u>31,661</u>	<u>114,328</u>	<u>8,347,086</u>
731,009	2,358,216	17,541	17,980	3,431,197
354,650	615,417	576	-	1,003,803
183	18,521	68	11,833	31,818
4,305	70,432	210	1,136	82,263
12	62	-	-	74
<u>1,090,158</u>	<u>3,062,647</u>	<u>18,395</u>	<u>30,950</u>	<u>4,549,155</u>
495,842	2,929,094	13,266	83,379	3,797,931
<u>8,966,526</u>	<u>33,843,391</u>	<u>254,531</u>	<u>418,044</u>	<u>47,597,924</u>
<u>\$ 9,462,368</u>	<u>\$ 36,772,485</u>	<u>\$ 267,797</u>	<u>\$ 501,423</u>	<u>\$ 51,395,854</u>
\$ 504,197	\$ 2,888,648	\$ 13,144	\$ 83,379	\$ 3,564,783
(8,355)	40,446	123	-	31,416
-	-	-	-	201,732
<u>\$ 495,842</u>	<u>\$ 2,929,094</u>	<u>\$ 13,266</u>	<u>\$ 83,379</u>	<u>\$ 3,797,931</u>



PRIVATE PURPOSE TRUST FUNDS

ESCHEATS FUND

The Escheats Fund operates under the authority of P.A. 29 of 1995 and is used to account for unclaimed property held by the State until claimed by the rightful owners. All property, including any income or increment derived from the property, is subject to the custody of (escheated to) the State when certain criteria contained within the Act are met. Proceeds of the fund pay the administrative costs and prompt claims allowed under the Act.

GIFTS, BEQUESTS, AND DEPOSITS INVESTMENT FUND

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

HOSPITAL PATIENTS' TRUST FUND

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

MICHIGAN EDUCATION SAVINGS PROGRAM

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

Michigan

**COMBINING STATEMENT OF FIDUCIARY NET ASSETS
PRIVATE PURPOSE TRUST FUNDS
SEPTEMBER 30, 2004
(In Thousands)**

	ESCHEATS FUND	GIFTS, BEQUESTS, AND DEPOSITS INVESTMENT FUND	HOSPITAL PATIENTS' TRUST FUND	MICHIGAN EDUCATION SAVINGS PROGRAM	TOTALS
ASSETS					
Cash	\$ -	\$ 746	\$ 26	\$ 188	\$ 960
Equity in common cash	41,773	27,394	218	-	69,386
Receivables:					
Interest and dividends	-	95	-	48	143
Sale of investments	1,160	-	-	-	1,160
Investments at Fair Value:					
Bonds, notes, mortgages, and preferred stock	-	11,734	-	-	11,734
Common stock	-	86	-	-	86
Mutual funds	-	6	-	623,047	623,053
Guaranteed funding agreements	-	-	-	120,804	120,804
Securities lending collateral	-	1	-	-	1
Other current assets	3,547	2,670	19	738	6,973
Total Assets	\$ 46,481	\$ 42,733	\$ 263	\$ 744,824	\$ 834,300
LIABILITIES					
Warrants outstanding	\$ 1,091	\$ 781	\$ 20	\$ -	\$ 1,891
Accounts payable and other liabilities	19	6,203	6	1,012	7,240
Obligations under security lending	-	1	-	-	1
Total Liabilities	\$ 1,110	\$ 6,985	\$ 26	\$ 1,012	\$ 9,133
NET ASSETS					
Net assets held in trust for other purposes	\$ 45,371	\$ 35,748	\$ 237	\$ 743,812	\$ 825,168

Michigan

STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
PRIVATE PURPOSE TRUST FUNDS
 FISCAL YEAR ENDED SEPTEMBER 30, 2004
 (In Thousands)

	ESCHEATS FUND	GIFTS, BEQUESTS AND DEPOSITS INVESTMENT FUND	HOSPITAL PATIENTS' TRUST FUND	MICHIGAN EDUCATION SAVINGS PROGRAM	TOTALS
ADDITIONS					
Contributions:					
From participants	\$ -	\$ -	\$ -	\$ 260,920	\$ 260,920
From clients	-	35,828	2,032	-	37,860
From gifts, bequests, and endowments	-	983	-	-	983
Investment Income:					
Net appreciation (depreciation) in fair value of investments	-	22	-	31,017	31,039
Interest, dividends, and other	-	743	3	24,400	25,145
Securities lending income	-	18	-	-	18
Less Investment Expense:					
Investment activity expense	-	-	-	2,714	2,714
Securities lending expense	-	17	-	-	17
Net investment income (loss)	-	766	3	52,703	53,472
Escheated property	22,622	-	-	-	22,622
Miscellaneous income	-	1,664	-	-	1,664
Total Additions	22,622	39,241	2,034	313,624	377,520
DEDUCTIONS					
Benefits paid to participants or beneficiaries	-	-	-	22,277	22,277
Amounts distributed to clients, claimants, or third parties	33,498	38,144	2,027	-	73,668
Administrative expense	5,753	1,032	-	-	6,785
Total Deductions	39,250	39,176	2,027	22,277	102,731
Net increase (decrease)	(16,629)	64	8	291,346	274,789
Net assets held in trust for others - Beginning of fiscal year	62,000	35,683	230	452,466	550,378
Net assets held in trust for others End of fiscal year	<u>\$ 45,371</u>	<u>\$ 35,748</u>	<u>\$ 237</u>	<u>\$ 743,812</u>	<u>\$ 825,168</u>
Reconciliation of Net Increase in Assets:					
Net increase (decrease) in assets held in trust for other purposes	\$ (16,629)	\$ 64	\$ 8	\$ 291,346	\$ 274,789
Total net increase (decrease)	\$ (16,629)	\$ 64	\$ 8	\$ 291,346	\$ 274,789

AGENCY FUNDS

ENVIRONMENTAL QUALITY DEPOSITS FUND

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

INSURANCE CARRIER DEPOSITS FUND

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

STATE TREASURER'S ESCROW AND PAYING AGENT FUND

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

CHILD SUPPORT COLLECTION FUND

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

Michigan

COMBINING STATEMENT OF FIDUCIARY NET ASSETS

AGENCY FUNDS

SEPTEMBER 30, 2004

(In Thousands)

	ENVIRONMENTAL QUALITY DEPOSITS FUND	INSURANCE CARRIER DEPOSITS FUND	STATE TREASURER'S ESCROW AND PAYING AGENT FUND	CHILD SUPPORT COLLECTION FUND	TOTALS
ASSETS					
Cash	\$ -	\$ -	\$ 4,042	\$ 75,665	\$ 79,707
Equity in common cash	2,875	1,220	-	-	4,095
Investments at Fair Value:					
Short-term investments	-	-	15,070	-	15,070
Bonds, notes, mortgages, and preferred stock	-	-	44,606	-	44,606
Other current assets	-	-	2,209	3,821	6,029
Other noncurrent assets	-	372,614	-	-	372,614
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Assets	<u>\$ 2,875</u>	<u>\$ 373,834</u>	<u>\$ 65,927</u>	<u>\$ 79,486</u>	<u>\$ 522,122</u>
LIABILITIES					
Warrants outstanding	\$ -	\$ 154	\$ -	\$ -	\$ 154
Accounts payable and other liabilities	2,875	786	18,599	78,188	100,448
Amounts due to other funds	-	-	-	1,298	1,298
Other long-term liabilities	-	372,894	47,328	-	420,222
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Liabilities	<u>\$ 2,875</u>	<u>\$ 373,834</u>	<u>\$ 65,927</u>	<u>\$ 79,486</u>	<u>\$ 522,122</u>

Michigan

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES - AGENCY FUNDS

FISCAL YEAR ENDED SEPTEMBER 30, 2004

(In Thousands)

	BALANCE OCTOBER 1, 2003	ADDITIONS	DEDUCTIONS	BALANCE SEPTEMBER 30, 2004
ENVIRONMENTAL QUALITY DEPOSITS FUND				
ASSETS				
Equity in common cash	\$ 3,931	\$ 151	\$ 1,207	\$ 2,875
Total Assets	\$ 3,931	\$ 151	\$ 1,207	\$ 2,875
LIABILITIES				
Accounts payable and other liabilities	\$ 3,931	\$ 151	\$ 1,207	\$ 2,875
Total Liabilities	\$ 3,931	\$ 151	\$ 1,207	\$ 2,875
INSURANCE CARRIER DEPOSITS FUND				
ASSETS				
Equity in common cash	\$ 1,127	\$ 49,660	\$ 49,567	\$ 1,220
Other noncurrent assets	336,062	169,707	133,155	372,614
Total Assets	\$ 337,189	\$ 219,367	\$ 182,722	\$ 373,834
LIABILITIES				
Warrants outstanding	\$ 67	\$ 87	\$ -	\$ 154
Accounts payable and other liabilities	776	49,759	49,750	786
Other long-term liabilities	336,346	657,764	621,216	372,894
Total Liabilities	\$ 337,189	\$ 707,610	\$ 670,965	\$ 373,834
STATE TREASURER'S ESCROW AND PAYING AGENT FUND				
ASSETS				
Cash	\$ 725	\$ 32,700	\$ 29,383	\$ 4,042
Investments at Fair Value:				
Short-term investments	23,758	15,975	24,663	15,070
Bonds, notes, mortgages, and preferred stock	58,917	-	14,311	44,606
Other current assets	3,155	7,637	8,583	2,209
Total Assets	\$ 86,554	\$ 56,312	\$ 76,939	\$ 65,927
LIABILITIES				
Accounts payable and other liabilities	\$ 18,610	\$ 36,889	\$ 36,901	\$ 18,599
Other long-term liabilities	67,944	-	20,616	47,328
Total Liabilities	\$ 86,554	\$ 36,889	\$ 57,517	\$ 65,927

Michigan

	<u>BALANCE OCTOBER 1, 2003</u>	<u>ADDITIONS</u>	<u>DEDUCTIONS</u>	<u>BALANCE SEPTEMBER 30, 2004</u>
CHILD SUPPORT COLLECTION FUND				
ASSETS				
Cash	\$ 80,852	\$ 1,723,409	\$ 1,728,596	\$ 75,665
Equity in common cash	-	1,697	1,697	-
Other current assets	7,049	3,821	7,049	3,821
	<u>87,900</u>	<u>1,728,927</u>	<u>1,737,342</u>	<u>79,486</u>
Total Assets	<u>\$ 87,900</u>	<u>\$ 1,728,927</u>	<u>\$ 1,737,342</u>	<u>\$ 79,486</u>
LIABILITIES				
Accounts payable and other liabilities	\$ 87,777	\$ 2,041,254	\$ 2,050,843	\$ 78,188
Amounts due to other funds	124	1,974	800	1,298
	<u>87,900</u>	<u>2,043,229</u>	<u>2,051,643</u>	<u>79,486</u>
Total Liabilities	<u>\$ 87,900</u>	<u>\$ 2,043,229</u>	<u>\$ 2,051,643</u>	<u>\$ 79,486</u>
TOTALS - ALL AGENCY FUNDS				
ASSETS				
Cash	\$ 81,576	\$ 1,756,109	\$ 1,757,979	\$ 79,707
Equity in common cash	5,058	51,508	52,471	4,095
Investments at Fair Value:				
Short-term investments	23,758	15,975	24,663	15,070
Bonds, notes, mortgages, and preferred stock	58,917	-	14,311	44,606
Other current assets	10,204	11,457	15,632	6,029
Other noncurrent assets	336,062	169,707	133,155	372,614
	<u>515,575</u>	<u>2,004,757</u>	<u>1,998,210</u>	<u>522,122</u>
Total Assets	<u>\$ 515,575</u>	<u>\$ 2,004,757</u>	<u>\$ 1,998,210</u>	<u>\$ 522,122</u>
LIABILITIES				
Warrants outstanding	\$ 67	\$ 87	\$ -	\$ 154
Accounts payable and other liabilities	111,094	2,128,054	2,138,700	100,448
Amounts due to other funds	124	1,974	800	1,298
Other long-term liabilities	404,290	657,764	641,832	420,222
	<u>515,575</u>	<u>2,787,879</u>	<u>2,781,332</u>	<u>522,122</u>
Total Liabilities	<u>\$ 515,575</u>	<u>\$ 2,787,879</u>	<u>\$ 2,781,332</u>	<u>\$ 522,122</u>

COMPONENT UNITS – AUTHORITIES

MACKINAC BRIDGE AUTHORITY

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

MACKINAC ISLAND STATE PARK COMMISSION

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

MICHIGAN BROADBAND DEVELOPMENT AUTHORITY

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

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

MICHIGAN ECONOMIC DEVELOPMENT CORPORATION

The Michigan Economic Development Corporation (MEDC), under Article VII, Section 28 of the Michigan State Constitution of 1963 and P.A. 7 of the 1967 extra session, is a public body corporation. Created by a ten-year contract (inter-local agreement) between participating local economic development corporations formed under P.A. 338 of 1974 and the Michigan Strategic Fund, MEDC is a separate legal entity whose purpose is to stimulate, coordinate and advance economic development in the State. Under the terms of the agreement, the governance of MEDC resides in an executive committee of 17 members appointed to eight-year, staggered terms.

MICHIGAN HIGHER EDUCATION ASSISTANCE AUTHORITY

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

MICHIGAN HIGHER EDUCATION FACILITIES AUTHORITY

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

MICHIGAN HIGHER EDUCATION STUDENT LOAN AUTHORITY

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

MICHIGAN PUBLIC EDUCATIONAL FACILITIES AUTHORITY

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

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

MICHIGAN STATE HOSPITAL FINANCE AUTHORITY

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

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

MICHIGAN STRATEGIC FUND

The Michigan Strategic Fund (MSF) is a public body corporation and politic created by P.A. 270 of 1984 to help diversify the economy of the State and to provide for economic development, primarily by assisting business enterprises to obtain additional sources of financing. Executive Order 1999-1, as amended, transferred all of the economic development functions of the former Department of Commerce and the Michigan Jobs Commission to MSF. The order further placed MSF as an autonomous entity in the Department of Management and Budget. Executive Order 2003-18 transferred MSF from the Department of Management and Budget to the Department of Labor and Economic Growth, where it remains an autonomous entity. MSF is governed by a board of nine members, consisting of the directors of the State Departments of Labor and Economic Growth and Treasury plus seven members appointed by the Governor with the advice and consent of the Senate.

STATE BAR OF MICHIGAN

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

Michigan

**COMBINING STATEMENT OF NET ASSETS
NON-MAJOR COMPONENT UNITS
AUTHORITIES
SEPTEMBER 30, 2004
(In Thousands)**

	MACKINAC BRIDGE AUTHORITY	MACKINAC ISLAND STATE PARK COMMISSION	MICHIGAN BROADBAND DEVELOPMENT AUTHORITY	MICHIGAN ECONOMIC DEVELOPMENT CORPORATION	MICHIGAN HIGHER EDUCATION ASSISTANCE AUTHORITY
ASSETS					
Current Assets:					
Cash	\$ 670	\$ 782	\$ 2,277	\$ 4,755	\$ 2,388
Equity in common cash	-	-	-	74,125	-
Amounts due from primary government	-	680	-	-	124
Amounts due from federal government	-	-	-	375	2,282
Inventories	-	727	-	-	-
Investments	25,674	317	17	22,796	16,494
Other current assets	321	57	254	2,676	376
Total Current Assets	<u>26,665</u>	<u>2,562</u>	<u>2,548</u>	<u>104,728</u>	<u>21,664</u>
Restricted Assets:					
Cash and cash equivalents	-	792	-	5,615	-
Investments	-	2,786	-	7,628	-
Mortgages and loans receivable	-	-	3,626	35,945	-
Investments	-	-	-	23,611	-
Capital Assets:					
Land and other non-depreciable assets	125	337	-	-	-
Buildings, equipment, and other depreciable assets	8,341	9,123	-	16,422	1,835
Less accumulated depreciation	(3,341)	(5,851)	-	(4,480)	(444)
Infrastructure	102,621	-	-	-	-
Total capital assets	<u>107,746</u>	<u>3,610</u>	<u>-</u>	<u>11,941</u>	<u>1,391</u>
Other noncurrent assets	-	-	-	-	-
Total Assets	<u>\$ 134,411</u>	<u>\$ 9,750</u>	<u>\$ 6,174</u>	<u>\$ 189,469</u>	<u>\$ 23,056</u>
LIABILITIES					
Current Liabilities:					
Warrants outstanding	\$ -	\$ -	\$ -	\$ 391	\$ -
Accounts payable and other liabilities	2,492	66	164	11,760	1
Amounts due to primary government	1,261	-	-	126	22
Bonds and notes payable	-	235	-	-	-
Interest payable	-	15	3,812	-	-
Deferred revenue	734	65	19	475	-
Current portion of other long-term obligations	250	-	56	3,542	21
Total Current Liabilities	<u>4,737</u>	<u>381</u>	<u>4,050</u>	<u>16,293</u>	<u>44</u>
Bonds and notes payable	-	1,801	13,574	-	-
Noncurrent portion of other long-term obligations	217	-	157	6,547	420
Total Liabilities	<u>\$ 4,954</u>	<u>\$ 2,182</u>	<u>\$ 17,781</u>	<u>\$ 22,840</u>	<u>\$ 464</u>
NET ASSETS					
Invested in capital assets, net of related debt	\$ 107,746	\$ 1,573	\$ -	\$ 11,941	\$ 1,391
Restricted For:					
Construction and debt service	-	1,005	-	-	-
Other purposes	-	3,630	2	-	21,200
Unrestricted	21,711	1,360	(11,609)	154,687	-
Total Net Assets	<u>\$ 129,457</u>	<u>\$ 7,568</u>	<u>\$ (11,607)</u>	<u>\$ 166,628</u>	<u>\$ 22,591</u>

Michigan

MICHIGAN HIGHER EDUCATION FACILITIES AUTHORITY	MICHIGAN HIGHER EDUCATION STUDENT LOAN AUTHORITY	MICHIGAN PUBLIC EDUCATIONAL FACILITIES AUTHORITY	MICHIGAN STATE HOSPITAL FINANCE AUTHORITY	MICHIGAN STRATEGIC FUND	STATE BAR OF MICHIGAN	TOTALS
\$ -	\$ 59,035	\$ 5,026	\$ 461	\$ 50	\$ 3,188	\$ 78,631
-	-	-	-	774	-	74,899
418	-	-	40	-	-	1,263
-	-	-	-	11,379	-	14,036
-	-	-	-	-	-	727
-	252,857	-	1,794	-	3,330	323,278
31	173,892	16,218	973	13	536	195,347
449	485,784	21,244	3,268	12,216	7,054	688,181
-	-	-	-	-	-	6,407
-	-	-	125	-	-	10,539
-	1,184,941	-	-	-	-	1,224,512
-	368,695	-	2,465	-	-	394,772
-	-	-	-	-	381	843
-	-	-	64	-	10,808	46,592
-	-	-	(46)	-	(4,540)	(18,702)
-	-	-	-	-	-	102,621
-	-	-	18	-	6,648	131,355
-	16,882	-	-	-	-	16,882
\$ 449	\$ 2,056,303	\$ 21,244	\$ 5,876	\$ 12,216	\$ 13,702	\$ 2,472,648
\$ -	\$ -	\$ -	\$ -	\$ 725	\$ -	\$ 1,116
-	1,657	3	31	11,166	665	28,004
-	197	325	-	14	-	1,945
-	23,790	16,356	-	-	245	40,626
-	4,382	38	-	-	-	8,246
-	-	-	-	246	1,300	2,838
-	366	-	-	-	-	4,235
-	30,392	16,721	31	12,150	2,210	87,009
-	1,836,650	-	-	-	2,873	1,854,898
-	58,371	-	428	-	-	66,140
\$ -	\$ 1,925,413	\$ 16,721	\$ 459	\$ 12,150	\$ 5,083	\$ 2,008,047
\$ -	\$ -	\$ -	\$ 18	\$ -	\$ 3,530	\$ 126,200
-	9,365	-	-	-	-	10,371
-	-	4,845	-	-	-	29,677
449	121,525	(323)	5,399	66	5,089	298,353
\$ 449	\$ 130,890	\$ 4,522	\$ 5,417	\$ 66	\$ 8,619	\$ 464,601

Michigan

COMBINING STATEMENT OF ACTIVITIES
NON-MAJOR COMPONENT UNITS - AUTHORITIES
 FISCAL YEAR ENDED SEPTEMBER 30, 2004
 (In Thousands)

FUNCTIONS/PROGRAMS	EXPENSES	PROGRAM REVENUES			NET (EXPENSE) REVENUE
		CHARGES FOR SERVICES	OPERATING GRANTS/ CONTRIBUTIONS	CAPITAL GRANTS/ CONTRIBUTIONS	
Mackinac Bridge Authority	\$ 11,270	\$ 15,707	\$ -	\$ -	\$ 4,437
Mackinac Island State Park Commission	4,151	4,064	157	-	69
Michigan Broadband Development Authority	4,072	101	81	-	(3,890)
Michigan Economic Development Corporation	113,616	-	53,843	-	(59,773)
Michigan Higher Education Assistance Authority	143,640	17,173	127,576	-	1,109
Michigan Higher Education Facilities Authority	99	117	-	-	18
Michigan Higher Education Student Loan Authority	56,824	64,488	-	-	7,663
Michigan Public Educational Facilities Authority	577	66	-	-	(511)
Michigan State Hospital Finance Authority	1,064	951	-	-	(112)
Michigan Strategic Fund	87,660	1,338	35,989	-	(50,334)
State Bar of Michigan	10,278	11,128	63	-	913
Total	\$ 433,252	\$ 115,133	\$ 217,708	\$ -	\$ (100,411)

Michigan

GENERAL REVENUES

INTEREST AND INVESTMENT EARNINGS (LOSS)	PAYMENTS FROM STATE OF MICHIGAN	OTHER	SPECIAL ITEMS	CHANGE IN NET ASSETS	NET ASSETS BEGINNING OF YEAR	NET ASSETS END OF YEAR
\$ 258	\$ -	\$ -	\$ -	\$ 4,695	\$ 124,762	\$ 129,457
72	-	-	-	142	7,426	7,568
17	-	2	-	(3,871)	(7,735)	(11,607)
2,595	-	2,955	-	(54,223)	220,852	166,628
-	-	-	-	1,109	21,483	22,591
5	-	-	-	23	427	449
3,906	-	-	-	11,570	119,320	130,890
318	-	537	-	344	4,178	4,522
35	-	-	-	(78)	5,495	5,417
-	47,987	2,356	-	9	56	66
279	-	-	-	1,192	7,427	8,619
<u>\$ 7,486</u>	<u>\$ 47,987</u>	<u>\$ 5,850</u>	<u>\$ -</u>	<u>\$ (39,089)</u>	<u>\$ 503,690</u>	<u>\$ 464,601</u>



COMPONENT UNITS – STATE UNIVERSITIES

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

The information presented in this report for the ten universities is based upon their separately issued financial statements for the fiscal year ended on June 30, 2004. The universities include Central Michigan University and Western Michigan University presented as major component units and the following non-major component units: Eastern Michigan University, Ferris State University, Grand Valley State University, Lake Superior State University, Michigan Technological University, Northern Michigan University, Oakland University, and Saginaw Valley State University.

Michigan

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

JUNE 30, 2004

(In Thousands)

	EASTERN MICHIGAN UNIVERSITY	FERRIS STATE UNIVERSITY	GRAND VALLEY STATE UNIVERSITY	LAKE SUPERIOR STATE UNIVERSITY
ASSETS				
Current Assets:				
Cash	\$ 54,959	\$ 14,689	\$ 9,428	\$ 7,402
Amounts due from component units	-	-	-	-
Amounts due from primary government	18,362	8,963	28,243	3,280
Amounts due from federal government	2,479	1,145	1,357	271
Amounts due from local units	-	-	-	-
Inventories	721	970	1,546	398
Investments	-	22,756	7,485	-
Other current assets	18,912	3,039	9,533	1,090
Total Current Assets	<u>95,433</u>	<u>51,561</u>	<u>57,592</u>	<u>12,441</u>
Restricted Assets:				
Cash and cash equivalents	-	-	128	850
Investments	76,778	11,660	7,760	3,050
Mortgages and loans receivable	10,945	18,407	8,760	-
Mortgages and loans receivable	-	-	-	2,721
Investments	-	30,264	91,662	5,818
Capital Assets:				
Land and other non-depreciable assets	10,640	4,362	28,654	2,025
Buildings, equipment, and other depreciable assets	469,707	338,673	481,334	122,293
Less accumulated depreciation	(198,917)	(132,722)	(114,832)	(61,691)
Construction in progress	10,463	1,675	38,080	14,753
Total capital assets	<u>291,894</u>	<u>211,987</u>	<u>433,236</u>	<u>77,380</u>
Other noncurrent assets	<u>3,583</u>	<u>2,056</u>	<u>3,610</u>	<u>-</u>
Total Assets	<u>\$ 478,633</u>	<u>\$ 325,936</u>	<u>\$ 602,748</u>	<u>\$ 102,259</u>
LIABILITIES				
Current Liabilities:				
Accounts payable and other liabilities	\$ 24,012	\$ 10,021	\$ 35,739	\$ 2,438
Amounts due to primary government	538	74	40	123
Bonds and notes payable	3,111	2,455	5,983	805
Interest payable	1,041	978	1,428	196
Deferred revenue	7,357	5,066	10,650	853
Current portion of other long-term obligations	1	250	2,543	615
Total Current Liabilities	<u>36,061</u>	<u>18,844</u>	<u>56,384</u>	<u>5,030</u>
Deferred revenue	660	918	-	-
Bonds and notes payable	137,758	79,355	137,173	30,210
Noncurrent portion of other long-term obligations	6,775	5,691	1,535	1,548
Total Liabilities	<u>\$ 181,254</u>	<u>\$ 104,809</u>	<u>\$ 195,092</u>	<u>\$ 36,788</u>
NET ASSETS				
Invested in capital assets, net of related debt	\$ 192,513	\$ 136,932	\$ 296,149	\$ 50,544
Restricted For:				
Education	-	20,685	15,003	6,939
Construction and debt service	22,934	-	(10,880)	851
Other purposes	15,689	-	-	3,011
Funds Held as Permanent Investments:				
Expendable	-	3,205	16,465	-
Nonexpendable	38,572	11,660	19,329	3,505
Unrestricted	<u>27,671</u>	<u>48,645</u>	<u>71,590</u>	<u>622</u>
Total Net Assets	<u>\$ 297,379</u>	<u>\$ 221,127</u>	<u>\$ 407,656</u>	<u>\$ 65,471</u>

Michigan

MICHIGAN TECHNOLOGICAL UNIVERSITY	NORTHERN MICHIGAN UNIVERSITY	OAKLAND UNIVERSITY	SAGINAW VALLEY STATE UNIVERSITY	TOTALS
\$ 43,483	\$ 11,888	\$ 32,414	\$ 17,164	\$ 191,428
-	239	-	-	239
10,490	19,266	8,417	13,597	110,618
1,973	1,230	1,771	1,085	11,310
-	144	84	-	228
1,234	1,301	252	695	7,117
-	-	-	8	30,248
14,393	6,516	8,558	3,867	65,908
<u>71,573</u>	<u>40,584</u>	<u>51,495</u>	<u>36,417</u>	<u>417,096</u>
7,155	-	129	-	8,262
60,835	18,713	-	-	178,797
-	-	-	-	38,112
11,554	7,292	1,741	81	23,388
-	26,996	62,992	25,970	243,703
12,902	4,795	4,325	2,377	70,080
317,960	270,691	358,759	300,441	2,659,859
(167,874)	(99,101)	(127,131)	(86,847)	(989,116)
28,976	23,960	658	3,036	121,600
<u>191,964</u>	<u>200,344</u>	<u>236,611</u>	<u>219,007</u>	<u>1,862,423</u>
<u>6,585</u>	<u>1,215</u>	<u>6,674</u>	<u>3,444</u>	<u>27,167</u>
<u>\$ 349,666</u>	<u>\$ 295,145</u>	<u>\$ 359,642</u>	<u>\$ 284,919</u>	<u>\$ 2,798,948</u>
\$ 14,565	\$ 14,299	\$ 11,249	\$ 11,131	\$ 123,456
749	115	281	-	1,920
280	1,810	2,894	1,380	18,718
387	-	285	-	4,316
2,489	3,317	4,974	3,471	38,178
2,970	1,452	2,354	167	10,352
<u>21,441</u>	<u>20,992</u>	<u>22,037</u>	<u>16,149</u>	<u>196,939</u>
-	-	1,705	-	3,284
48,470	66,090	93,700	72,480	665,236
6,259	12,082	2,366	1,920	38,176
<u>\$ 76,170</u>	<u>\$ 99,165</u>	<u>\$ 119,809</u>	<u>\$ 90,549</u>	<u>\$ 903,635</u>
\$ 169,023	\$ 137,635	\$ 146,550	\$ 145,654	\$ 1,275,001
55,075	22,674	19,824	5,253	145,453
-	-	-	57	12,963
-	-	-	-	18,699
-	-	7,272	-	26,942
39,000	-	10,903	22,794	145,763
10,398	35,672	55,284	20,612	270,493
<u>\$ 273,496</u>	<u>\$ 195,980</u>	<u>\$ 239,834</u>	<u>\$ 194,370</u>	<u>\$ 1,895,313</u>

COMBINING STATEMENT OF ACTIVITIES
NON-MAJOR COMPONENT UNITS - STATE UNIVERSITIES
 FISCAL YEAR ENDED JUNE 30, 2004
 (In Thousands)

FUNCTIONS/PROGRAMS	EXPENSES	PROGRAM REVENUES			NET (EXPENSE) REVENUE
		CHARGES FOR SERVICES	OPERATING GRANTS/ CONTRIBUTIONS	CAPITAL GRANTS/ CONTRIBUTIONS	
Eastern Michigan University	\$ 271,973	\$ 174,163	\$ 19,142	\$ 810	\$ (77,859)
Ferris State University	172,680	105,338	18,372	-	(48,969)
Grand Valley State University	230,428	145,619	29,298	9,778	(45,732)
Lake Superior State University	44,542	22,286	8,025	10,721	(3,509)
Michigan Technological University	164,204	65,574	30,457	36,807	(31,367)
Northern Michigan University	127,794	62,859	19,929	620	(44,387)
Oakland University	165,498	100,767	24,266	6,820	(33,644)
Saginaw Valley State University	85,297	47,357	12,347	-	(25,593)
Total	<u>\$ 1,262,415</u>	<u>\$ 723,963</u>	<u>\$ 161,835</u>	<u>\$ 65,557</u>	<u>\$ (311,060)</u>

Michigan

GENERAL REVENUES

INTEREST AND INVESTMENT EARNINGS (LOSS)	PAYMENTS FROM STATE OF MICHIGAN	OTHER	CHANGE IN NET ASSETS	NET ASSETS BEGINNING OF YEAR RESTATED	NET ASSETS END OF YEAR
\$ 2,045	\$ 78,202	\$ 3,842	\$ 6,230	\$ 291,149	\$ 297,379
2,872	52,426	7,627	13,956	207,171	221,127
2,783	63,677	4,533	25,260	382,395	407,656
1,092	12,430	-	10,012	55,459	65,471
340	47,591	-	16,564	256,932	273,496
4,120	60,049	-	19,782	176,198	195,980
3,787	47,330	-	17,473	222,361	239,834
3,097	32,510	534	10,549	183,821	194,370
<u>\$ 20,135</u>	<u>\$ 394,216</u>	<u>\$ 16,536</u>	<u>\$ 119,827</u>	<u>\$ 1,775,487</u>	<u>\$ 1,895,313</u>





Capitol Rotunda



First Floor Corridor in Capitol



III STATISTICAL SECTION

Michigan

**COMBINED SCHEDULE OF REVENUE AND OTHER FINANCING SOURCES
GENERAL AND SPECIAL REVENUE FUNDS
FISCAL YEAR ENDED SEPTEMBER 30, 2004
(In Thousands)**

<u>SOURCE</u>	<u>TOTAL</u>	<u>GENERAL FUND</u>	<u>SPECIAL REVENUE FUNDS</u>
TAXES			
Sales	\$ 6,473,522	\$ 1,691,869	\$ 4,781,653
Personal income	6,576,065	4,682,708	1,893,357
Single business	1,841,010	1,841,010	-
Use	1,316,504	877,414	439,091
State education (property)	1,824,493	-	1,824,493
Real estate transfer	317,480	-	317,480
Tobacco products	992,793	507,639	485,154
Beer and wine	51,511	51,511	-
Liquor	97,913	65,508	32,405
Horse race wagering	11,825	11,825	-
Casino gaming wagering	99,455	3,673	95,781
Intangibles	66	66	-
Estate and inheritance	75,543	75,543	-
Telephone and telegraph company	101,315	101,315	-
Commercial mobile radio service	28,561	28,561	-
Insurance company	230,272	230,272	-
Motor vehicle registration	934,309	487	933,822
Gasoline	932,689	-	932,689
Aviation fuel	7,721	-	7,721
Diesel fuel	140,849	-	140,849
Gas and oil severance	58,220	58,220	-
Industrial facilities	150,159	-	150,159
Convention hotel accommodation	16,179	16,179	-
Airport parking	14,836	14,836	-
Quality assurance assessment	325,188	325,188	-
Penalties and interest	104,432	104,432	-
Other	77,018	1,598	75,420
	<u>22,799,928</u>	<u>10,689,854</u>	<u>12,110,074</u>
FROM FEDERAL AGENCIES			
Department of Health and Human Services	7,255,854	7,254,404	1,450
Department of Education	1,179,648	204,767	974,880
Department of Agriculture	1,421,626	1,142,015	279,611
Department of Labor	314,144	193,248	120,896
Department of Housing and Urban Development	6,433	6,433	-
Department of Energy	18,536	18,536	-
Department of Transportation	964,850	23,396	941,454
Department of Interior	19,260	17,922	1,339
Department of Defense	24,329	24,329	-
Department of Justice	77,946	77,946	-
Environmental Protection Agency	42,775	41,921	854
General Services Administration	3,143	3,143	-
Other	250,844	250,844	-
	<u>11,579,388</u>	<u>9,258,903</u>	<u>2,320,484</u>
FROM LOCAL AGENCIES			
Counties	103,273	90,078	13,194
Cities, villages, and townships	23,088	124	22,964
School districts	1,018	1,018	-
Multi-level governmental units	4,703	-	4,703
Other	107,733	18,332	89,401
	<u>239,815</u>	<u>109,553</u>	<u>130,262</u>
SPECIAL MEDICAID REIMBURSEMENTS			
	<u>704,551</u>	<u>704,551</u>	<u>-</u>
	704,551	704,551	-

Michigan

<u>SOURCE</u>	<u>TOTAL</u>	<u>GENERAL FUND</u>	<u>SPECIAL REVENUE FUNDS</u>
FROM SERVICES			
Charges for furnishing vehicle driver records	\$ 37,718	\$ 37,718	\$ -
Revenue for patient, ward, and inmate care	35,924	35,924	-
Other	74,498	74,041	457
	<u>148,140</u>	<u>147,683</u>	<u>457</u>
FROM LICENSES AND PERMITS			
Liquor retailers', manufacturers', and wholesalers' licenses	13,079	13,079	-
Motor vehicle operators' and chauffeurs' licenses	66,634	52,737	13,896
Examination fees - financial institutions and insurance industry	21,451	21,451	-
Concession and privilege fees - State parks	651	-	651
Motor vehicle related	130,465	79,110	51,355
Hunting, fishing, and trapping licenses	48,304	-	48,304
Public utility assessment fees	15,389	15,389	-
Labor and Economic Growth licenses and permits	90,187	77,657	12,529
Auto repair facilities and mechanics licenses and fees	4,267	4,267	-
Corporation franchise fees	19,344	19,344	-
Other	146,089	95,949	50,139
	<u>555,858</u>	<u>378,983</u>	<u>176,875</u>
MISCELLANEOUS			
Income from investments	29,569	4,253	25,316
Tobacco settlement proceeds	273,577	3,036	270,540
Various fines, fees, and assessments	77,000	48,321	28,679
Court fines, fees, and assessments	157,484	148,965	8,518
Oil and gas royalties, fees, assignments, and rentals	9,252	4,457	4,795
Environmental pollution settlements	11,912	2,985	8,927
State Fair revenue	5,861	5,861	-
Child support	42,480	42,480	-
Other	502,495	285,124	217,371
	<u>1,109,630</u>	<u>545,483</u>	<u>564,146</u>
Total Revenues	<u>37,137,308</u>	<u>21,835,010</u>	<u>15,302,298</u>
OTHER FINANCING SOURCES			
Proceeds from bond issues and bond anticipation notes	405,881	-	405,881
Capital lease acquisitions	19,661	19,661	-
Proceeds from sale of capital assets	11,513	4,609	6,903
Transfers From Other Funds:			
From Liquor Purchase Revolving Fund	144,180	144,180	-
From State Lottery Fund	658,076	13,193	644,883
From other funds	1,909,646	355,532	1,554,115
	<u>3,148,956</u>	<u>537,175</u>	<u>2,611,782</u>
Total Other Financing Sources	<u>3,148,956</u>	<u>537,175</u>	<u>2,611,782</u>
Total Revenue and Other Financing Sources (GAAP Basis)	<u>\$ 40,286,264</u>	<u>\$ 22,372,185</u>	<u>\$ 17,914,080</u>

Michigan

SCHEDULE OF REVENUE AND OTHER FINANCING SOURCES

GENERAL FUND

FISCAL YEAR ENDED SEPTEMBER 30, 2004

(In Thousands)

<u>SOURCE</u>	<u>TOTAL</u>	<u>GENERAL PURPOSE</u>	<u>RESTRICTED REVENUES</u>
TAXES			
Sales	\$ 1,691,869	\$ 374,833	\$ 1,317,037
Personal income	4,682,708	3,909,095	773,614
Single business	1,841,010	1,826,561	14,450
Use	877,414	877,381	32
Tobacco products	507,639	242,704	264,934
Beer and wine	51,511	51,511	-
Liquor	65,508	32,993	32,516
Horse race wagering	11,825	2,025	9,800
Casino gaming wagering	3,673	3,214	459
Intangibles	66	66	-
Estate and inheritance	75,543	75,541	2
Telephone and telegraph company	101,315	101,315	-
Commercial mobile radio service	28,561	-	28,561
Insurance company	230,272	230,270	2
Motor vehicle registration	487	-	487
Gas and oil severance	58,220	57,070	1,150
Convention hotel accommodation	16,179	-	16,179
Airport parking	14,836	11	14,825
Quality assurance assessment	325,188	-	325,188
Penalties and interest	104,432	95,752	8,680
Other	1,598	1,163	435
	<u>10,689,854</u>	<u>7,881,503</u>	<u>2,808,351</u>
FROM FEDERAL AGENCIES			
Department of Health and Human Services	7,254,404	64,160	7,190,243
Department of Education	204,767	5,014	199,753
Department of Agriculture	1,142,015	1,705	1,140,310
Department of Labor	193,248	644	192,604
Department of Housing and Urban Development	6,433	528	5,905
Department of Energy	18,536	54	18,482
Department of Transportation	23,396	305	23,091
Department of Interior	17,922	133	17,789
Department of Defense	24,329	31	24,298
Department of Justice	77,946	304	77,642
Environmental Protection Agency	41,921	4,509	37,411
General Services Administration	3,143	-	3,143
Other	250,844	170,966	79,879
	<u>9,258,903</u>	<u>248,354</u>	<u>9,010,550</u>
FROM LOCAL AGENCIES			
Counties	90,078	2,565	87,513
Cities, villages, and townships	124	-	124
School districts	1,018	-	1,018
Other	18,332	374	17,958
	<u>109,553</u>	<u>2,939</u>	<u>106,614</u>
SPECIAL MEDICAID REIMBURSEMENTS			
	704,551	-	704,551
	<u>704,551</u>	<u>-</u>	<u>704,551</u>
FROM SERVICES			
Charges for vehicle driver records	37,718	11,113	26,605
Revenue for patient, ward, and inmate care	35,924	239	35,684
Other	74,041	6,491	67,550
	<u>147,683</u>	<u>17,843</u>	<u>129,840</u>

Michigan

SOURCE	TOTAL	GENERAL PURPOSE	RESTRICTED REVENUES
FROM LICENSES AND PERMITS			
Liquor retailers', manufacturers', and wholesalers' licenses	\$ 13,079	\$ -	\$ 13,079
Motor vehicle operators' and chauffeurs' licenses	52,737	23,504	29,234
Examination fees - financial institutions and insurance industry	21,451	(118)	21,569
Motor vehicle related	79,110	13,284	65,826
Public utility assessment fees	15,389	(68)	15,457
Labor and Economic Growth licenses and permits	77,657	6,629	71,028
Auto repair facilities and mechanics licenses and fees	4,267	32	4,236
Corporation franchise fees	19,344	7,676	11,668
Other	95,949	4,243	91,706
	<u>378,983</u>	<u>55,181</u>	<u>323,802</u>
MISCELLANEOUS			
Income from investments	4,253	233	4,020
Various fines, fees, and assessments	48,321	1,016	47,306
Court fines, fees, and assessments	148,965	20,881	128,085
Oil and gas royalties, fees, assignments, and rentals	4,457	-	4,457
Environmental pollution settlements	2,985	-	2,985
Tobacco settlement proceeds	3,036	3,036	-
State Fair revenue	5,861	-	5,861
Child support	42,480	19	42,461
Other	285,124	140,103	145,020
	<u>545,483</u>	<u>165,288</u>	<u>380,196</u>
 Total Revenues	 <u>21,835,010</u>	 <u>8,371,108</u>	 <u>13,463,902</u>
OTHER FINANCING SOURCES			
Capital lease acquisitions	19,661	-	19,661
Proceeds from sale of capital assets	4,609	-	4,609
Transfers From Other Funds:			
From Liquor Purchase Revolving Fund	144,180	139,445	4,734
From State Lottery Fund	13,193	12,203	990
From other funds	355,532	193,005	162,526
	<u>537,175</u>	<u>344,654</u>	<u>192,521</u>
Total Other Financing Sources	<u>537,175</u>	<u>344,654</u>	<u>192,521</u>
Total Revenue and Other Financing Sources (GAAP Basis)	<u>22,372,185</u>	<u>8,715,762</u>	<u>13,656,423</u>
BUDGETARY BASIS ADJUSTMENTS			
Capital lease acquisitions	(19,661)	-	(19,661)
Total Revenue and Other Financing Sources (budgetary basis)	<u>\$ 22,352,524</u>	<u>\$ 8,715,762</u>	<u>\$ 13,636,762</u>

Michigan

SOURCE AND DISPOSITION OF GENERAL FUND AUTHORIZATIONS
FISCAL YEAR ENDED SEPTEMBER 30, 2004
(In Thousands)

<u>BRANCH AND DEPARTMENT</u>	<u>CURRENT LEGISLATIVE APPROPRIATION</u>	<u>BUDGETARY TRANSFERS IN/OUT</u>	<u>BUDGETARY ADJUSTMENT</u>	<u>UNEXPENDED FROM PRIOR YEAR</u>	<u>RESTRICTED REVENUE ADDITIONS</u>	<u>LESS: TIMING DIFFERENCES* RESTRICTED REVENUE NOT AUTHORIZED/USED</u>
Legislative Branch	\$ 114,073	\$ -	\$ 263	\$ 10,922	\$ 4,934	\$ (54)
Judicial Branch	160,216	-	-	21,687	84,445	(13,798)
Executive Branch:						
Agriculture	30,259	2,025	-	9,025	60,877	(8,601)
Attorney General	30,260	-	-	4,042	24,667	(3,945)
Civil Rights	11,720	-	-	-	867	-
Civil Service	7,833	-	-	1,449	16,623	-
Colleges and Universities Grants	1,833,570	-	-	5	4,424	-
Community Health	2,609,169	1,415	675	50,417	7,344,290	(92,081)
Corrections	1,601,971	-	-	43,449	58,227	(8,653)
Education	406,860	-	-	3,453	50,493	(3,409)
Environmental Quality	53,581	-	1,034	107,231	111,704	(91,715)
Executive Office	4,860	-	-	-	-	-
Family Independence Agency	1,081,141	2,357	26,911	30,847	2,850,695	-
History, Arts & Libraries	44,202	-	-	3,296	11,831	(575)
Labor and Economic Growth	81,372	(3,084)	3,048	104,999	661,958	(131,634)
Management and Budget	333,861	113	1,609	82,971	167,506	(47,543)
Military and Veterans Affairs	36,329	-	-	5,705	64,938	(4,681)
Natural Resources	31,339	-	94	22,025	48,616	(23,072)
State	26,447	-	-	16,037	142,499	(4,313)
State Police	235,834	(802)	-	34,235	166,232	(28,773)
Transportation	(4,100)	-	-	7,772	-	-
Treasury	110,516	-	-	151,023	2,304,229	(86,590)
Payroll expenditure adjustment	-	-	-	-	8,500	-
Intrafund expenditure reimbursements	-	-	-	-	-	-
TOTAL	\$ 8,841,311	\$ 2,025	\$ 33,634	\$ 710,590	\$ 14,188,553	\$ (549,437)

* Timing differences are subtracted from Gross Spending Authority in order to show an annualized Budget that is comparable to the current year's Actual uses. Timing differences consist of unused authorizations for multi-year projects (capital outlay and work projects) and restricted revenue not authorized/used, which includes Revenues that by statute, are restricted for use to a particular program or activity. Generally, the expenditure of the restricted revenue is subject to annual legislative appropriation. However, the restricted revenue may also be used in subsequent years to finance expenditures in multi-year appropriations and for encumbrances carried forward.

Restricted revenue balances authorized in the Variances category represent restricted revenue carry-overs that could have been used in the current period but were not.

NOTE: This schedule was prepared on the Statutory/Budgetary basis.

Michigan

GROSS SPENDING AUTHORITY	LESS: TIMING DIFFERENCES* MULTI-YEAR PROJECTS	"BUDGET"	"ACTUAL"		"VARIANCES"		
		AS PRESENTED IN STATEMENTS	EXPENDED/ TRANSFERRED	ENCUMBERED BALANCES FORWARD	RESTRICTED REVENUE BALANCES AUTHORIZED	LAPSES	OVEREXPENDED
\$ 130,138	\$ (11,185)	\$ 118,953	\$ 117,924	\$ 282	\$ 65	\$ 682	\$ -
252,550	-	252,550	246,622	3,891	396	1,642	-
93,585	-	93,585	91,650	299	-	1,636	-
55,024	-	55,024	50,125	2,294	-	2,605	-
12,587	-	12,587	12,389	35	-	164	-
25,904	-	25,904	24,163	286	-	1,455	-
1,837,998	(3)	1,837,995	1,829,853	-	-	8,143	-
9,913,885	-	9,913,885	9,951,949	169	77	8,833	(47,142)
1,694,995	-	1,694,995	1,623,449	25,466	-	46,080	-
457,397	-	457,397	454,593	2	-	2,803	-
181,835	-	181,835	177,821	1,839	-	2,174	-
4,860	-	4,860	4,673	-	-	186	-
3,991,951	(7,795)	3,984,155	3,942,349	3,322	-	39,610	(1,125)
58,753	-	58,753	57,234	148	937	433	-
716,658	-	716,658	715,129	200	155	1,174	-
538,516	(7,916)	530,601	513,616	8,582	-	8,403	-
102,291	-	102,291	97,668	116	3,536	972	-
79,002	-	79,002	77,043	987	-	972	-
180,669	(5,775)	174,894	164,985	8,005	202	1,701	-
406,726	(0)	406,726	401,853	1,823	-	3,049	-
3,672	-	3,672	3,672	-	-	-	-
2,479,178	(1,286)	2,477,892	2,457,629	6,378	3,499	10,386	-
8,500	-	8,500	28,867	-	-	(20,367)	-
-	-	(551,792)	(551,792)	-	-	-	-
<u>\$ 23,226,676</u>	<u>\$ (33,961)</u>	<u>\$ 22,640,922</u>	<u>\$ 22,493,463</u>	<u>\$ 64,124</u>	<u>\$ 8,866</u>	<u>\$ 122,737</u>	<u>\$ (48,268)</u>

Michigan

**SOURCE AND DISPOSITION OF
GENERAL FUND/GENERAL PURPOSE AUTHORIZATIONS
APPROPRIATION YEAR 2004
FISCAL YEAR ENDED SEPTEMBER 30, 2004
(In Thousands)**

<u>BRANCH AND DEPARTMENT</u>	CURRENT LEGISLATIVE APPROPRIATION	BUDGETARY TRANSFERS IN/OUT	BUDGETARY ADJUSTMENT
Legislative Branch	\$ 114,073	\$ -	\$ 247
Judicial Branch	160,216	-	-
Executive Branch:			
Agriculture	30,259	2,025	-
Attorney General	30,260	-	-
Civil Rights	11,720	-	-
Civil Service	7,833	-	-
Colleges and Universities Grants	1,833,570	-	-
Community Health	2,609,169	1,415	675
Corrections	1,609,272	-	-
Education	406,860	-	-
Environmental Quality	53,581	-	1,034
Executive Office	4,860	-	-
Family Independence Agency	1,088,979	2,357	26,911
History, Arts & Libraries	44,202	-	-
Labor and Economic Growth	81,372	(3,084)	3,033
Management and Budget	346,089	113	1,609
Military and Veterans Affairs	36,329	-	-
Natural Resources	31,339	-	-
State	26,698	-	-
State Police	237,510	(802)	-
Transportation	-	-	-
Treasury	112,213	-	-
Payroll expenditure adjustment	-	-	-
TOTAL	\$ 8,876,403	\$ 2,025	\$ 33,509

Michigan

GROSS SPENDING AUTHORITY	"ACTUAL"			"VARIANCES"	
	EXPENDED/ TRANSFERRED	ENCUMBERED BALANCES FORWARD	MULTI-YEAR PROJECT BALANCES FORWARD	LAPSES	OVEREXPENDED
\$ 114,320	\$ 106,648	\$ 237	\$ 6,856	\$ 579	\$ -
160,216	156,131	2,898	-	1,188	-
32,284	31,241	137	-	906	-
30,260	26,707	1,216	-	2,338	-
11,720	11,521	35	-	164	-
7,833	7,281	97	-	455	-
1,833,570	1,825,427	-	-	8,142	-
2,611,259	2,624,046	169	-	8,714	(21,669)
1,609,272	1,561,854	6,896	-	40,522	-
406,860	404,059	-	-	2,801	-
54,615	52,175	349	-	2,091	-
4,860	4,673	-	-	186	-
1,118,247	1,070,213	2,556	7,795	38,809	(1,125)
44,202	43,700	134	-	368	-
81,321	80,103	148	-	1,070	-
347,811	339,386	56	1,934	6,434	-
36,329	35,260	104	-	965	-
31,339	30,654	11	-	674	-
26,698	20,157	1,419	3,514	1,609	-
236,709	233,324	781	-	2,604	-
-	-	-	-	-	-
112,213	95,083	5,610	1,286	10,235	-
-	20,367	-	-	(20,367)	-
<u>\$ 8,911,937</u>	<u>\$ 8,780,008</u>	<u>\$ 22,852</u>	<u>\$ 21,386</u>	<u>\$ 110,486</u>	<u>\$ (22,795)</u>

Michigan

**REVENUE, BOND PROCEEDS, AND CAPITAL LEASE ACQUISITIONS
GENERAL AND SPECIAL REVENUE FUNDS
LAST TEN YEARS
SEPTEMBER 30, 2004
(In Thousands)**

<u>SOURCE</u>	<u>1994-1995</u>	<u>1995-1996</u>	<u>1996-1997</u>	<u>1997-1998</u>
TAXES:				
Sales	\$ 4,884,198	\$ 5,171,598	\$ 5,389,802	\$ 5,617,331
Personal Income (net of tax expenditures)	5,013,472	5,438,788	5,930,404	6,316,125
Amount reported as tax expenditures	459,600	429,618	470,000	477,000
Single Business	2,130,395	2,187,418	2,224,319	2,349,148
Use	942,885	1,034,886	1,092,216	1,159,258
State Education (Property)	1,155,601	1,272,288	1,348,832	1,256,874
Real Estate Transfer	-	-	-	227,852
Liquor, Beer, Wine, and Tobacco Products	734,645	698,007	662,287	689,451
Casino Gaming Wagering	-	-	-	-
Telephone and Telegraph Company	127,189	135,412	145,805	151,964
Insurance Company	213,638	205,996	182,389	142,565
Motor Vehicle and Fuel	1,338,692	1,334,349	1,424,963	1,695,068
Quality Assurance Assessment	-	-	-	-
Other	468,399	611,716	569,300	543,391
TOTAL TAXES	17,468,714	18,520,076	19,440,316	20,626,025
FEDERAL AGENCIES	6,532,050	7,469,416	7,653,495	7,679,490
LOCAL AGENCIES	183,282	197,972	168,247	165,443
SPECIAL MEDICAID REIMBURSEMENTS	490,517	598,654	593,402	595,179
SERVICES	122,532	120,415	114,354	107,623
LICENSES AND PERMITS	348,873	353,266	353,492	376,909
MISCELLANEOUS	655,578	701,004	655,963	700,553
TOTAL REVENUE	25,801,546	27,960,804	28,979,270	30,241,222
PROCEEDS FROM BOND ISSUES AND BOND ANTICIPATION NOTES	541,881	6,149	54,021	251,454
CAPITAL LEASE ACQUISITIONS	23,782	71,810	54,157	29,027
PROCEEDS FROM SALE OF CAPITAL ASSETS	-	-	-	-
TOTAL REVENUE, BOND PROCEEDS, CAPITAL LEASE ACQUISITIONS, AND PROCEEDS FROM SALE OF CAPITAL ASSETS	\$ 26,367,209	\$ 28,038,762	\$ 29,087,448	\$ 30,521,703

NOTES: (1) Beginning in fiscal year 1996-97, the State began reporting the federal share of child support collections as federal revenue, rather than as miscellaneous revenue. Prior year amounts have been reclassified to include the federal revenue which were previously reported on the "Miscellaneous" line.

(2) Beginning in fiscal year 1997-98, the State began reporting real estate transfer tax separately from State education (property) tax. Amounts of the real estate transfer tax for years prior to 1997-98 are not available.

(3) Beginning in fiscal year 2003-2004, the State began reporting quality assurance assessment revenue as a tax revenue, rather than as miscellaneous revenue. Amounts for years prior to 2003-2004 are not available.

Michigan

<u>1998-1999</u>	<u>1999-2000</u>	<u>2000-2001</u>	<u>2001-2002</u>	<u>2002-2003</u>	<u>2003-2004</u>
\$ 5,901,733	\$ 6,277,498	\$ 6,352,306	\$ 6,439,894	\$ 6,422,642	\$ 6,473,522
6,907,933	7,144,211	6,749,373	6,095,989	5,811,843	5,873,365
486,100	502,100	532,800	615,100	707,800	702,700
2,360,533	2,324,868	2,022,882	1,983,795	1,843,072	1,841,010
1,283,017	1,355,389	1,333,607	1,306,365	1,229,838	1,316,504
1,273,459	1,381,420	1,489,552	1,583,660	2,127,513	1,824,493
261,696	257,093	252,894	253,075	275,513	317,480
739,972	736,859	732,673	808,225	1,035,322	1,142,217
-	-	75,415	91,915	90,945	99,455
150,334	149,206	152,523	137,343	124,168	101,315
199,463	191,946	200,756	227,081	231,076	230,272
1,784,970	1,829,979	1,852,964	1,917,481	1,946,225	2,015,567
-	-	-	-	-	325,188
609,665	714,899	657,279	610,485	580,001	536,839
<u>21,958,875</u>	<u>22,865,469</u>	<u>22,405,023</u>	<u>22,070,408</u>	<u>22,425,957</u>	<u>22,799,928</u>
7,902,699	8,571,625	9,566,353	10,202,344	10,812,852	11,579,388
183,822	173,882	227,996	248,867	230,728	239,815
690,799	1,059,343	1,155,374	1,109,233	932,658	704,551
113,415	110,294	115,346	121,849	121,198	148,140
383,778	393,006	391,655	408,746	417,786	555,853
769,236	1,032,248	1,281,281	1,150,187	1,390,001	1,109,630
<u>32,002,624</u>	<u>34,205,867</u>	<u>35,143,027</u>	<u>35,311,635</u>	<u>36,331,180</u>	<u>37,137,308</u>
-	82,099	854,240	424,472	352,254	405,881
57,609	22,330	23,014	237,272	16,052	19,661
-	-	-	-	-	11,513
<u>\$ 32,060,233</u>	<u>\$ 34,310,295</u>	<u>\$ 36,020,281</u>	<u>\$ 35,973,378</u>	<u>\$ 36,699,486</u>	<u>\$ 37,574,362</u>

Michigan

**SCHEDULE OF EXPENDITURES BY FUNCTION
GENERAL AND SPECIAL REVENUE FUNDS - STATE FUNDS
LAST TEN YEARS
SEPTEMBER 30, 2004
(In Thousands)**

	<u>1994 - 1995</u>	<u>1995 - 1996</u>	<u>1996 - 1997</u>	<u>1997 - 1998</u>
Current:				
General government	\$ 970,101	\$ 1,061,865	\$ 1,060,633	\$ 1,003,062
Education	9,781,080	10,219,613	10,568,759	11,462,128
Family independence services (1)	7,389,722	8,619,094	3,496,468	3,262,649
Public safety and corrections	1,557,854	1,683,618	1,738,682	1,720,105
Conservation, environment, recreation, and agriculture	639,425	511,459	440,656	446,377
Labor, commerce, and regulatory	704,191	716,571	756,754	763,484
Health services (1)	1,471,392	1,501,080	6,563,740	6,781,614
Transportation	1,352,745	1,392,778	1,459,704	1,556,082
Tax expenditures	459,600	429,618	470,000	477,000
Capital outlay	625,390	608,159	716,835	898,509
Intergovernmental - revenue sharing	1,190,838	1,281,089	1,301,153	1,381,009
Debt service:				
Bond interest and fiscal charges	-	-	-	-
Capital lease payments	<u>38,523</u>	<u>44,932</u>	<u>57,562</u>	<u>58,905</u>
Total Expenditures	<u><u>\$ 26,180,861</u></u>	<u><u>\$ 28,069,878</u></u>	<u><u>\$ 28,630,947</u></u>	<u><u>\$ 29,810,925</u></u>

NOTE: (1) Beginning in fiscal year 1996-97 the State consolidated the Medical Services Administration (MSA), the Departments of Public Health and Mental Health to form the Department of Community Health and accounted for the combined operations as "Health services." MSA and Public Health expenditures were previously reported as "Health and welfare," which was renamed to "Family independence services." Prior year amounts have not been restated.

Michigan

<u>1998 - 1999</u>	<u>1999 - 2000</u>	<u>2000 - 2001</u>	<u>2001 - 2002</u>	<u>2002 - 2003</u>	<u>2003 - 2004</u>
\$ 1,072,735	\$ 1,071,643	\$ 1,270,363	\$ 1,541,175	\$ 1,207,672	\$ 1,116,072
11,827,226	12,436,812	13,975,247	14,547,772	14,624,856	14,305,112
3,229,377	3,336,835	3,596,001	3,791,373	3,875,371	3,932,475
1,908,871	1,983,001	2,155,735	2,132,401	2,112,194	2,118,888
482,901	564,738	617,703	638,615	581,168	571,909
720,070	740,687	881,069	891,817	891,644	902,903
7,100,795	7,692,354	8,525,435	8,891,480	9,270,484	9,676,268
1,645,123	1,663,318	2,058,191	2,117,153	2,080,361	2,211,490
486,100	502,100	532,800	615,100	707,800	702,700
1,144,575	1,196,211	1,267,158	1,232,479	1,085,686	1,046,339
1,410,400	1,494,016	1,555,799	1,517,303	1,451,374	1,305,146
-	-	2,219	1,240	-	-
<u>59,287</u>	<u>52,027</u>	<u>48,820</u>	<u>51,387</u>	<u>67,723</u>	<u>50,840</u>
<u>\$ 31,087,460</u>	<u>\$ 32,733,741</u>	<u>\$ 36,486,541</u>	<u>\$ 37,969,296</u>	<u>\$ 37,956,335</u>	<u>\$ 37,940,143</u>

Michigan

**RATIO OF ANNUAL DEBT SERVICE EXPENDITURES FOR GENERAL OBLIGATION
BONDED DEBT TO TOTAL GENERAL FUND EXPENDITURES AND TRANSFERS
LAST TEN YEARS
SEPTEMBER 30, 2004
(In Thousands)**

<u>FISCAL YEAR</u>	<u>PRINCIPAL</u>	<u>INTEREST AND FISCAL CHARGES</u>	<u>TOTAL DEBT SERVICE EXPENDITURES</u>	<u>TOTAL GENERAL FUND EXPENDITURES AND TRANSFERS</u>	<u>RATIO OF DEBT SERVICE EXPENDITURES TO GENERAL FUND EXPENDITURES AND TRANSFERS</u>
1994-1995	\$ 23,584	\$ 19,081	\$ 42,665	\$ 17,549,649	.24 %
1995-1996	21,097	33,150	54,246	18,755,877	.29 %
1996-1997	29,857	34,143	64,000	18,571,900	.34 %
1997-1998	31,141	32,676	63,817	18,847,724	.34 %
1998-1999	34,751	45,055	79,806	20,027,355	.40 %
1999-2000	36,035	49,584	85,619	20,942,926	.41 %
2000-2001	42,392	49,053	91,445	22,275,036	.41 %
2001-2002	65,811	51,702	117,513	23,048,459	.51 %
2002-2003	27,012	51,915	78,927	22,443,621	.35 %
2003-2004	227,362	59,421	286,783	22,513,124	1.27 %

NOTE: Principal and interest on short-term general obligation notes are not included in this bonded debt schedule.

Michigan

**NET GENERAL OBLIGATION BONDED DEBT PER CAPITA
LAST TEN YEARS
SEPTEMBER 30, 2004
(In Thousands)**

<u>FISCAL YEAR</u>	<u>POPULATION*</u>	<u>GROSS BONDED DEBT</u>	<u>LESS DEBT SERVICE FUNDS</u>	<u>NET BONDED DEBT</u>	<u>NET BONDED DEBT PER CAPITA (IN DOLLARS)</u>
1994-1995	9,660	\$ 719,222	\$ -	\$ 719,222	\$ 74.45
1995-1996	9,739	702,486	-	702,486	72.13
1996-1997	9,785	677,277	-	677,277	69.22
1997-1998	9,820	901,103	-	901,103	91.76
1998-1999	9,864	869,788	-	869,788	88.18
1999-2000	9,956	930,279	-	930,279	93.44
2000-2001	10,005	1,031,802	-	1,031,802	103.13
2001-2002	10,043	1,119,561	-	1,119,561	111.48
2002-2003	10,080	1,413,443	787	1,412,656	140.14
2003-2004	Unavailable	1,527,536	810	1,526,726	Unavailable

*SOURCES: U. S. Census Bureau, Population Division.
Department of History, Arts, and Libraries.



Michigan

**STATE BUILDING AUTHORITY (SBA) BONDED DEBT PER CAPITA
LAST TEN YEARS
SEPTEMBER 30, 2004
(In Thousands)**

<u>FISCAL YEAR</u>	<u>POPULATION*</u>	<u>SBA GROSS BONDED DEBT</u>	<u>LESS SBA DEBT SERVICE FUNDS</u>	<u>SBA NET BONDED DEBT</u>	<u>SBA NET BONDED DEBT PER CAPITA (IN DOLLARS)</u>
1994-1995	9,660	\$ 1,453,420	\$ 170,478	\$ 1,282,942	\$ 132.81
1995-1996	9,739	1,478,896	171,244	1,307,652	134.27
1996-1997	9,785	1,616,700	193,219	1,423,481	145.48
1997-1998	9,820	1,996,787	245,050	1,751,737	178.38
1998-1999	9,864	1,945,086	220,745	1,724,341	174.81
1999-2000	9,956	1,825,918	233,540	1,592,378	159.94
2000-2001	10,005	2,159,314	226,906	1,932,408	193.14
2001-2002	10,043	2,582,134	274,813	2,307,321	229.74
2002-2003	10,080	2,606,760	204,379	2,402,381	238.33
2003-2004	Unavailable	2,544,580	193,507	2,351,073	Unavailable

NOTE: State Building Authority (SBA) bonds are revenue dedicated bonds whose debt service requirements are financed by General Fund appropriations for rent of leased property, excess bond proceeds, and investments earnings. The bonds of the Authority are not considered direct debts or obligations of the State.

*SOURCES: U. S. Census Bureau, Population Division.
Department of History, Arts, and Libraries.

Michigan

DEBT SERVICE COVERAGE
COMPREHENSIVE TRANSPORTATION FUND RELATED BONDS
LAST TEN YEARS
SEPTEMBER 30, 2004
(In Millions)

	<u>1994-1995</u>	<u>1995-1996</u>	<u>1996-1997</u>	<u>1997-1998</u>
Constitutionally Restricted				
Transportation Fund Revenues:				
Motor Fuel Taxes	\$ 756.3	\$ 761.7	\$ 821.0	\$ 1,022.7
Registration Taxes	521.2	564.5	596.5	664.8
Miscellaneous Fees	71.8	57.4	54.4	59.1
Total	<u>1,349.3</u>	<u>1,383.6</u>	<u>1,471.9</u>	<u>1,746.6</u>
Less Deductions	<u>103.8</u>	<u>113.4</u>	<u>116.9</u>	<u>117.9</u>
Remaining Balance	1,245.5	1,270.2	1,355.0	1,628.7
Portion of Balance Credited to Comprehensive Transportation Fund (excluding interest)	<u>125.8</u>	<u>129.0</u>	<u>132.2</u>	<u>145.3</u>
Motor Vehicle Related Sales Tax Revenues	\$ 747.1	\$ 837.5	\$ 843.4	\$ 864.7
Allocation to Comprehensive Transportation Fund	<u>55.6</u>	<u>58.4</u>	<u>58.8</u>	<u>60.3</u>
Constitutionally Restricted Revenues Credited to Comprehensive Transportation Fund	\$ 181.4	\$ 187.4	\$ 191.0	\$ 205.6
Plus Other Revenues (primarily interest)	<u>15.8</u>	<u>7.9</u>	<u>5.0</u>	<u>6.1</u>
Money Available for Debt Service	<u>197.2</u>	<u>195.3</u>	<u>196.1</u>	<u>211.7</u>
Actual Annual Debt Service (1)	<u>20.6</u>	<u>23.1</u>	<u>22.5</u>	<u>23.1</u>
Debt Service Coverage	9.6 x	8.5 x	8.7 x	9.2 x

Note: (1) The table above does not include debt service on refunded bonds.

Source: Michigan Department of Transportation.

Michigan

<u>1998-1999</u>	<u>1999-2000</u>	<u>2000-2001</u>	<u>2001-2002</u>	<u>2002-2003</u>	<u>2003-2004</u>
\$ 1,066.3	\$ 1,066.5	\$ 1,067.6	\$ 1,082.8	\$ 1,093.2	\$ 1,073.3
709.9	755.1	777.9	827.3	844.7	933.8
57.0	55.2	54.7	58.0	56.7	51.4
<u>1,833.2</u>	<u>1,876.7</u>	<u>1,900.2</u>	<u>1,968.1</u>	<u>1,994.5</u>	<u>2,058.4</u>
121.2	128.0	132.0	173.4	176.8	110.9
<u>1,712.0</u>	<u>1,748.7</u>	<u>1,768.2</u>	<u>1,794.7</u>	<u>1,817.8</u>	<u>1,947.6</u>
<u>153.0</u>	<u>156.9</u>	<u>159.2</u>	<u>160.5</u>	<u>162.3</u>	<u>166.4</u>
<u>\$ 906.7</u>	<u>\$ 999.3</u>	<u>\$ 1,057.0</u>	<u>\$ 1,130.0</u>	<u>\$ 1,708.4</u>	<u>\$ 1,082.7</u>
63.2	69.7	73.7	78.8	79.4	65.0
<u>\$ 216.3</u>	<u>\$ 226.6</u>	<u>\$ 232.9</u>	<u>\$ 239.3</u>	<u>\$ 241.8</u>	<u>\$ 231.3</u>
6.6	3.1	3.5	0.9	1.4	3.6
<u>222.9</u>	<u>229.7</u>	<u>236.4</u>	<u>240.3</u>	<u>243.2</u>	<u>234.9</u>
<u>21.9</u>	<u>21.2</u>	<u>21.7</u>	<u>21.4</u>	<u>23.6</u>	<u>30.3</u>
10.2 x	10.8 x	10.9 x	11.3 x	10.3 x	7.8 x

Michigan

DEBT SERVICE COVERAGE
STATE TRUNKLINE FUND RELATED BONDS
 LAST TEN YEARS
 SEPTEMBER 30, 2004
 (In Millions)

	<u>1994-1995</u>	<u>1995-1996</u>	<u>1996-1997</u>	<u>1997-1998</u>
Constitutionally Restricted				
Transportation Fund Revenues:				
Motor Fuel Taxes	\$ 756.3	\$ 761.7	\$ 821.0	\$ 1,022.7
Registration Taxes	521.2	564.5	596.5	664.8
Miscellaneous Fees	71.8	57.4	54.4	59.1
Total	<u>1,349.3</u>	<u>1,383.6</u>	<u>1,471.9</u>	<u>1,746.6</u>
Less Deductions:				
Critical Bridge Debt Service	1.3	1.6	1.6	1.6
P.A. 51 Dedicated State Trunkline Fund Debt Service (1)	-	-	-	43.0
Collection Costs	90.2	99.8	101.2	55.4
Waterways/Recreational Improvement Fund	13.4	13.6	14.1	17.9
Comprehensive Transportation Fund (excluding interest)	125.8	129.0	132.2	145.3
Local Program Fund	33.0	33.0	33.0	33.0
Critical Bridge Fund	5.0	5.0	5.0	5.0
Economic Development Fund	36.8	36.8	36.8	40.3
Total Deductions	<u>305.5</u>	<u>318.8</u>	<u>323.9</u>	<u>341.5</u>
Constitutionally Restricted Revenues				
Available for Distribution	1,043.8	1,064.7	1,148.1	1,405.1
Plus Other Revenues (primarily interest)	12.7	18.8	59.7	13.9
Total Money Available for Distribution	<u>1,056.5</u>	<u>1,083.5</u>	<u>1,207.8</u>	<u>1,419.0</u>
Distributions to:				
Cities and Villages	233.2	239.5	270.5	302.7
County Road Commissions	411.4	421.4	477.9	534.3
State Trunkline Fund	411.9	422.7	459.3	582.0
Money Available for Debt Service				
State Trunkline Fund	411.9	422.7	459.3	582.0
P.A. 51 Dedicated State Trunkline Fund Debt Service (1)	-	-	-	43.0
Economic Development Fund	36.8	36.8	36.8	40.3
Local Program Fund	33.0	33.0	33.0	33.0
Critical Bridge Fund	-	-	-	1.6
Total Available for Debt Service	<u>481.7</u>	<u>492.5</u>	<u>529.0</u>	<u>699.9</u>
Actual Annual Debt Service (2)	42.5	58.2	59.7	61.3
Debt Service Coverage	11.3 x	8.5 x	8.9 x	11.4 x

Note: (1) Beginning fiscal year 1997-98, the formula for the tax distribution was revised to apportion and appropriate \$43 million from the Michigan Transportation Fund to the State Trunkline Fund for debt service costs on State of Michigan projects. Prior year amounts are not available.

(2) The table above excludes amounts related to refunded bonds and federally funded debt.

SOURCE: Michigan Department of Transportation.

Michigan

<u>1998-1999</u>	<u>1999-2000</u>	<u>2000-2001</u>	<u>2001-2002</u>	<u>2002-2003</u>	<u>2003-2004</u>
\$ 1,066.3	\$ 1,066.5	\$ 1,067.6	\$ 1,082.8	\$ 1,093.2	\$ 1,073.3
709.9	755.1	777.9	827.3	844.7	933.8
57.0	55.2	54.7	58.0	56.7	51.4
<u>1,833.2</u>	<u>1,876.7</u>	<u>1,900.2</u>	<u>1,968.1</u>	<u>1,994.5</u>	<u>2,058.4</u>
1.4	2.4	2.4	2.4	2.2	2.2
43.0	43.0	43.0	43.0	43.0	43.0
58.4	64.0	63.1	109.4	113.1	42.2
18.4	18.6	18.5	18.7	18.5	18.4
153.0	156.9	159.2	160.5	162.3	166.4
33.0	33.0	33.0	33.0	33.0	33.0
5.0	5.0	5.0	5.0	5.0	5.0
40.3	40.3	40.3	40.3	40.3	40.3
<u>352.5</u>	<u>363.2</u>	<u>364.5</u>	<u>412.2</u>	<u>417.4</u>	<u>350.5</u>
1,480.7	1,513.6	1,535.7	1,555.9	1,577.2	1,707.9
11.6	15.8	13.4	6.1	5.9	6.2
<u>1,492.3</u>	<u>1,529.4</u>	<u>1,549.1</u>	<u>1,562.0</u>	<u>1,583.1</u>	<u>1,714.1</u>
318.7	326.7	331.9	332.3	341.6	366.9
561.0	575.0	582.9	588.6	594.7	642.5
612.7	627.7	634.3	641.1	646.7	704.8
612.7	627.7	634.3	641.1	646.7	704.8
43.0	43.0	43.0	43.0	43.0	43.0
40.3	40.3	40.3	40.3	40.3	40.3
33.0	33.0	33.0	33.0	33.0	33.0
1.4	2.4	2.4	2.4	2.2	2.2
<u>730.4</u>	<u>746.4</u>	<u>753.0</u>	<u>759.7</u>	<u>765.1</u>	<u>823.2</u>
57.8	47.2	48.2	59.4	65.7	67.8
12.6 x	15.8 x	15.6 x	12.8 x	11.6 x	12.1 x





Michael M. Smith

Michigan's Capitol in Winter



Travel Michigan

Michigan's Capitol in Spring/Summer



Michigan

Economic and Social Data

GENERAL INFORMATION

On January 26, 1837, Michigan was admitted to the Union as the twenty-sixth state. It is located in the East North Central Census Region and is bordered by Canada and the states of Ohio, Indiana, and Wisconsin. Michigan contains 58,110 square miles of land mass (exclusive of 1,305 square miles of inland water and 38,575 square miles of Great Lakes water area) with 3,288 miles of shoreline on four of the five Great Lakes. A combined water and land area of 97,990 square miles makes it the tenth largest state.

POPULATION

The following table presents estimated population trends for Michigan for the last ten years (in thousands):

	<u>1994</u>	<u>1995</u>	<u>1996</u>	<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>
Population	9,584	9,660	9,739	9,785	9,820	9,864	9,956	10,005	10,043	10,080
Percent Change	.6%	.8%	.8%	.5%	.4%	.4%	.9%	.5%	.4%	.4%

Source: U.S. Census Bureau, Population Division.

WEALTH

The following table presents estimated per capita income, retail sales, taxable property, and bank deposits data for the last ten years:

<u>YEAR</u>	<u>Per Capita Income (a)</u>		<u>Retail Sales (b)</u>	<u>State Equalized Value of Taxable Property (c)</u>	<u>Bank Deposits (d)</u>
	<u>MI</u>	<u>U.S.</u>	<u>(In Billions)</u>	<u>(In Billions)</u>	<u>(In Billions)</u>
1994	22,694	22,172	2,156.3	175.5	117.8
1995	23,508	23,076	2,268.3	186.4	117.4
1996	24,306	24,175	2,412.7	200.3	116.9
1997	25,367	25,334	2,520.3	216.7	118.2
1998	26,919	26,883	2,644.8	237.4	123.4
1999	28,095	27,939	2,878.9	261.0	122.3
2000	29,553	29,847	3,070.2	284.4	136.5
2001	29,913	30,580	3,156.8	312.9	137.1
2002	30,072	30,795	3,230.1	343.7	129.7
2003	31,196	31,459	3,400.0	369.5	162.0

Sources:

- (a) U.S. Department of Commerce, Bureau of Economic Analysis, September 2004 release.
 - (b) U.S. Census Bureau, Monthly Retail Indicators Branch, revised November 2004.
 - (c) State of Michigan, Department of Treasury, State Tax Commission.
 - (d) State of Michigan, Department of Labor & Economic Growth, Office of Financial and Insurance Services, Office of Financial Evaluation, Bank and Trust Division.
- The amounts shown include state and national banks, state and federal credit unions, state and federal savings banks, and saving and loan associations.

Economic and Social Data (Continued)

EMPLOYMENT

The following table presents estimated employment data (expressed in thousands) for the State of Michigan for the last ten calendar years:

Year	Total Labor Force	Total Employment	Unemployment	Unemployment Rate
1994	4,811	4,527	284	5.9%
1995	4,798	4,541	257	5.3%
1996	4,881	4,643	238	4.9%
1997	4,944	4,736	208	4.2%
1998	5,010	4,817	193	3.9%
1999	5,121	4,928	193	3.8%
2000	5,170	4,987	183	3.5%
2001	5,157	4,886	271	5.3%
2002	5,001	4,691	310	6.2%
2003	5,042	4,674	368	7.3%

Source: Michigan Department of Labor & Economic Growth and U.S. Department of Labor, Bureau of Labor Statistics.

Estimated wage and salary employees for the last five calendar years consisted of the following (in thousands):

<u>Wage and Salary Employment</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>
Goods Producing:					
Natural Resources and Mining	9.6	9.5	9.3	8.6	8.2
Construction	195.9	209.6	206.1	199.6	190.0
Manufacturing	898.1	896.7	819.6	760.0	727.2
Total Goods Producing	<u>1,103.7</u>	<u>1,115.7</u>	<u>1,035.0</u>	<u>968.2</u>	<u>925.3</u>
Service-Providing:					
Trade, Transportation, and Utilities:					
Wholesale Trade	183.6	186.0	180.4	175.4	173.6
Retail Trade	550.6	559.8	548.8	530.7	516.6
Transportation and Utilities	134.1	135.4	132.0	128.2	125.1
Information	73.9	76.7	75.8	73.8	70.6
Financial Activities:					
Finance and Insurance	153.0	152.8	154.8	159.2	162.5
Real Estate and Rental and Leasing	53.9	56.6	55.5	55.7	56.4
Professional and Business Services:					
Professional, Scientific, and Technical Services	265.9	276.1	266.7	256.2	249.3
Management of Companies and Enterprises	70.9	70.5	69.1	69.5	68.3
Administrative and Support Services	267.5	279.7	256.8	257.0	257.8
Other/Waste Management Etc.	12.1	12.5	11.9	11.7	11.7
Educational and Health Services:					
Educational Services	52.1	54.3	59.5	65.9	73.1
Health Care and Social Assistance	439.6	447.9	453.9	467.6	471.1
Leisure and Hospitality:					
Accommodation and Food Services	328.8	336.4	332.7	336.2	335.7
Other	57.0	64.0	61.6	61.7	62.3
Other Services	167.7	168.1	175.1	174.2	171.2
Total Private Service Providing	<u>2,810.6</u>	<u>2,876.6</u>	<u>2,834.6</u>	<u>2,823.0</u>	<u>2,805.1</u>
Government	667.6	681.6	686.3	686.6	681.4
Total Service-Providing	<u>3,478.3</u>	<u>3,558.2</u>	<u>3,520.9</u>	<u>3,509.6</u>	<u>3,486.5</u>
Total Wage and Salary Employment	<u><u>4,581.9</u></u>	<u><u>4,673.9</u></u>	<u><u>4,555.9</u></u>	<u><u>4,477.8</u></u>	<u><u>4,411.8</u></u>

Source: Michigan Department of Labor & Economic Growth (wage and salary benchmark of March 2003) and U.S. Department of Labor, Bureau of Labor Statistics.

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ACKNOWLEDGMENTS

The *State of Michigan Comprehensive Annual Financial Report* is prepared by the Office of Financial Management, Accounting and Financial Reporting Division. Staff of the division for the fiscal year 2003-2004 report included:

Laura J. Mester, CPA, Director
Pamela J. Beam
Dorothy J. Hanna

Timothy T. Becker, CPA, Manager
Financial Reporting Section

Lisa S. Fath, CPA, Manager
Accounting Section

Nandita K. Jain, CPA, Manager
MAIN FACS Service Center

Cindy S. Bloomer
Dianne M. Drews
Jane E. Hallitt
Susan K. Ruff

Angela M. Burgtorf
Christopher D. Holly
Paul J. McDonald
Shelley L. Pelfery, CPA
Kathleen R. Pietila
Patricia M. Ward

Kathleen D. Ball
Eric M. Bolyard
Lorraine C. Couchman
Codee K. Kirkbee
John L. MacIntosh III
Alicia L. Paape

Special thanks are also extended to Doug Ringler, Office of Financial Management Support Services Division Director; the State's CFO Council; the Financial Management Users Group; financial management personnel throughout Michigan State Government; and the staff of the Office of the Auditor General. Preparation of this report would not have been possible without the efforts of these individuals.

We also wish to acknowledge Ms. Laurie Morse for this year's cover design. Photographs were provided courtesy of Travel Michigan and the Michigan Senate.

