

MICHIGAN DEPARTMENT OF TRANSPORTATION

COMPREHENSIVE ANNUAL FINANCIAL REPORT

Fiscal Year Ended September 30, 2001 & 2000

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MICHIGAN DEPARTMENT OF TRANSPORTATION
COMPREHENSIVE ANNUAL FINANCIAL REPORT
 FISCAL YEAR ENDED SEPTEMBER 30, 2001

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Statements and schedules are rounded to thousands of dollars. Because of this, they may not add to the totals.



STATE OF MICHIGAN
DEPARTMENT OF TRANSPORTATION
LANSING

JOHN ENGLER
GOVERNOR

GREGORY J. ROSINE
DIRECTOR

April 26, 2002

State Transportation Commission
and
Gregory J. Rosine, Director
Michigan Department of Transportation

I am pleased to submit the Comprehensive Annual Financial Report for the Michigan Department of Transportation (Department) for the fiscal years ended September 30, 2001 and 2000. This report is prepared in accordance with generally accepted accounting principles (GAAP). In addition, this report is in compliance with Department of Management and Budget, Administrative Guide to State Government, Procedure 1210.09, which requires state agencies issuing financial reports to be consistent with the State of Michigan Comprehensive Annual Financial Report (SOMCAFR).

This report is prepared by the Bureau of Finance and Administration which is responsible for both the accuracy of the data and the completeness and fairness of the presentation. The data is accurate in all material respects and is presented in a manner designed to fairly set forth the financial position and results of the Department's operations. All disclosures necessary to enable the reader to gain a reasonable understanding of the Department's financial affairs are included.

REPORTING STANDARDS AND PRESENTATION

Method of Presentation

This report uses the "reporting pyramid" approach endorsed by the Governmental Accounting Standards Board (GASB). The pyramid does not provide a consolidated department financial statement. Rather, it combines funds with similar accounting objectives in columns of fund types. The statements which reflect these combined fund type columns, together with the related footnotes, are referred to as the "General Purpose Financial Statements."

Following the General Purpose Financial Statements are the combining financial statements, schedules, and statistical data. These statements and schedules provide detail, by fund, for the amounts shown in the fund type columns in the General Purpose Financial Statements. The term "Comprehensive Annual Financial Report" (CAFR) is used to describe all of the data presented in this report.

The Governmental Accounting Standards Board issued Statement number 34, commonly referred to as GASB 34, in June, 1999. GASB 34 dramatically changed annual financial reporting for state and local governments. The new formats are more comprehensive and easier to understand and use. The State implemented the provisions of GASB 34 for the fiscal year ending September 30, 2001.

Included in the new reporting requirements is the disclosure of the State's investment in capital assets. The Department's Finance and Administration Bureau coordinated the effort to determine the value of the capital assets that the Department is responsible to maintain. These amounts are reported at the Government-wide level and only appear in the SOMCAFR. The following table shows the Department's assets by description and amount.

FY 2001 Capital Assets by Description

Buildings	Equipment	Land and Land Improvements	Infrastructure	Total
\$85,234,971	\$123,101,643	\$2,894,457,893	\$12,468,075,243	\$15,570,869,750

In addition, the financial statements in this report do not include \$1,521,497,000 of bonds and notes outstanding, which are also only reflected in the SOMCAFR.

Budgetary Reporting

Public Act 431 of 1984 requires the state to adhere to GAAP in calculating fund balance for budgetary purposes. The budgetary basis departs from GAAP only in ways that do not affect unreserved fund balance. Two departures are the use of encumbrances, which GAAP does not require, and the funding of capital lease commitments on a "pay as you go" basis, rather than at lease inception. Compliance with the final updated budget for the annually budgeted operating funds is demonstrated in the budget to actual comparative statements.

CONCLUSION

I wish to express my appreciation to the many people whose dedicated efforts made possible the preparation of this report. I believe their combined efforts have produced a report that will enable decision makers and concerned citizens to better understand and evaluate the Department's financial condition.

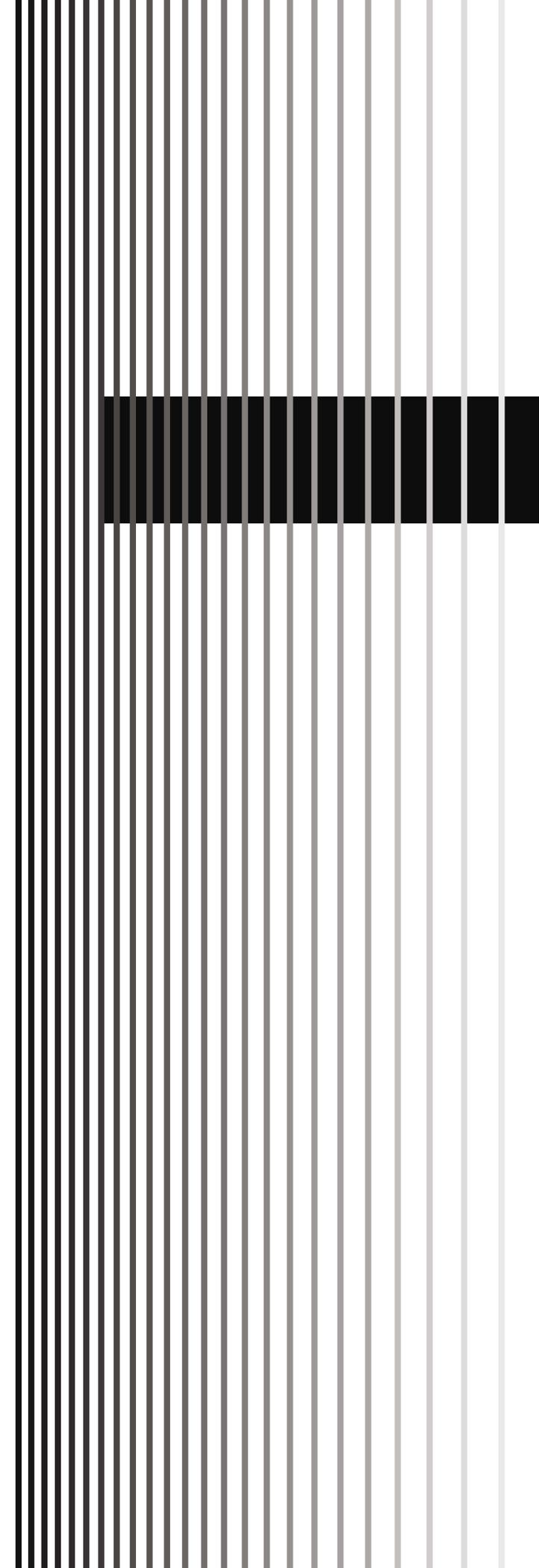
Sincerely,



Wayne R. Niles, Deputy Director
Bureau of Finance and Administration



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**Comprehensive
Annual Financial Report**

Fiscal Year's Ending September 30, 2001 & 2000

**Financial
Section**



GENERAL PURPOSE FINANCIAL STATEMENTS

NOTES TO FINANCIAL STATEMENTS

MICHIGAN DEPARTMENT OF TRANSPORTATION
COMBINED BALANCE SHEET
ALL FUND TYPES AND ACCOUNT GROUPS
 SEPTEMBER 30, 2001 and 2000
 (In Thousands)

	GOVERNMENTAL FUND TYPES				TOTALS	
	SPECIAL REVENUE		DEBT SERVICE		(Memorandum Only)	
	2001	2000*	2001	2000	2001	2000*
ASSETS						
Current Assets:						
Cash and cash equivalents	\$ 394	\$ 176	\$ --	\$ --	\$ 394	\$ 176
Equity in Common Cash	1,181,848	689,483	--	--	1,181,848	689,483
Receivables:						
Taxes, interest, and penalties (at net)	114,943	97,513	--	--	114,943	97,513
Federal aid	188,973	166,596	--	--	188,973	166,596
Local units	39,285	35,684	--	--	39,285	35,684
Other funds and components	65,692	53,827	--	--	65,692	53,827
Miscellaneous	11,576	16,641	--	--	11,576	16,641
Inventories	8,079	6,951	--	--	8,079	6,951
Total Current Assets	<u>1,610,791</u>	<u>1,066,871</u>	<u>--</u>	<u>--</u>	<u>1,610,791</u>	<u>1,066,871</u>
Noncurrent Assets:						
Receivables:						
Taxes	6,347	1,691	--	--	6,347	1,691
Federal aid	--	1,352	--	--	--	1,352
Local units	40,301	33,920	--	--	40,301	33,920
Advances to other funds	26,442	28,942	--	--	26,442	28,942
Land contracts	3,935	3,777	--	--	3,935	3,777
Miscellaneous	2,935	1,609	--	--	2,935	1,609
Total Noncurrent Assets	<u>79,958</u>	<u>71,290</u>	<u>--</u>	<u>--</u>	<u>79,958</u>	<u>71,290</u>
Total Assets	<u>\$1,690,750</u>	<u>\$1,138,161</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$1,690,750</u>	<u>\$1,138,161</u>
LIABILITIES AND FUND BALANCES						
Current Liabilities:						
Warrants outstanding	\$ 12,982	\$ 26,028	\$ --	\$ --	\$ 12,982	\$ 26,028
Accounts payable	448,992	456,389	--	--	448,992	456,389
Contract reserve payable	16,240	16,309	--	--	16,240	16,309
Due to other funds and components	66,299	57,391	--	--	66,299	57,391
Deposits, permits and other liabilities	3,735	3,229	--	--	3,735	3,229
Deferred revenue	28,212	12,974	--	--	28,212	12,974
Total Current Liabilities	<u>576,461</u>	<u>572,320</u>	<u>--</u>	<u>--</u>	<u>576,461</u>	<u>572,320</u>
Long-Term Liabilities:						
Deferred revenue	24,486	17,828	--	--	24,486	17,828
Advances from other funds	26,442	28,942	--	--	26,442	28,942
Total Liabilities	<u>627,389</u>	<u>619,089</u>	<u>--</u>	<u>--</u>	<u>627,389</u>	<u>619,089</u>
Fund Balance:						
Reserved for encumbrances	70,267	67,862	--	--	70,267	67,862
Reserved for unencumbered restricted revenue balances	216,691	212,221	--	--	216,691	212,221
Reserved for unencumbered capital outlay and work projects	136,990	92,604	--	--	136,990	92,604
Reserved for revolving funds	38,146	28,387	--	--	38,146	28,387
Reserved for construction and debt service	35,902	35,901	--	--	35,902	35,901
Reserved for noncurrent assets	25,985	25,315	--	--	25,985	25,315
Total Reserves	<u>523,982</u>	<u>462,290</u>	<u>--</u>	<u>--</u>	<u>523,982</u>	<u>462,290</u>
Unreserved	<u>539,379</u>	<u>56,783</u>	<u>--</u>	<u>--</u>	<u>539,379</u>	<u>56,783</u>
Total Fund Balances	<u>1,063,360</u>	<u>519,072</u>	<u>--</u>	<u>--</u>	<u>1,063,360</u>	<u>519,072</u>
Total Liabilities and Fund Balances	<u>\$1,690,750</u>	<u>\$1,138,161</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$1,690,750</u>	<u>\$1,138,161</u>

* Prior year amounts are restated in accordance with GASB 34.

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



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MICHIGAN DEPARTMENT OF TRANSPORTATION
COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
ALL GOVERNMENTAL FUND TYPES AND EXPENDABLE TRUST FUNDS
 FISCAL YEARS ENDED SEPTEMBER 30, 2001 and 2000
 (In Thousands)

	GOVERNMENTAL FUND TYPES				TOTALS (Memorandum Only)	
	SPECIAL REVENUE		DEBT SERVICE		2001	2000*
	2001	2000*	2001	2000		
REVENUES						
Taxes	\$ 1,925,948	\$ 1,898,996	\$ --	\$ --	\$ 1,925,948	\$ 1,898,996
License and permits	74,141	76,094	--	--	74,141	76,094
Federal aid	988,275	960,265	--	--	988,275	960,265
Local participation	121,320	90,605	--	--	121,320	90,605
Interest earnings	32,890	34,866	--	--	32,890	34,866
Non-operating revenue-bridges	2,309	2,389	--	--	2,309	2,389
Miscellaneous revenue	33,220	32,610	1	1	33,221	32,611
Total Revenues	<u>3,178,102</u>	<u>3,095,825</u>	<u>1</u>	<u>1</u>	<u>3,178,104</u>	<u>3,095,826</u>
EXPENDITURES						
Administration and Operations:						
Administration and maintenance	378,971	347,352	--	--	378,971	347,352
Bus operating assistance grants	165,625	159,320	--	--	165,625	159,320
Other grants	1,141,957	1,070,996	--	--	1,141,957	1,070,996
Airport development	124,736	83,283	--	--	124,736	83,283
Non-operating expenditures-bridges	2,286	2,367	--	--	2,286	2,367
Trust fund construction activity	244,617	224,493	--	--	244,617	224,493
Capital lease payments	463	413	--	--	463	413
Costs of bond issuance	--	--	293	--	293	--
Bond principal retirement	--	--	29,135	26,040	29,135	26,040
Bond interest and fiscal charges	--	--	40,758	42,377	40,758	42,377
Total Administration and Operations	<u>2,058,654</u>	<u>1,888,224</u>	<u>70,187</u>	<u>68,417</u>	<u>2,128,842</u>	<u>1,956,641</u>
Capital Outlay:						
Roads and bridges	1,174,939	1,085,383	--	--	1,174,939	1,085,383
Other capital outlay	15,164	12,192	--	--	15,164	12,192
Total Capital Outlay	<u>1,190,103</u>	<u>1,097,576</u>	<u>--</u>	<u>--</u>	<u>1,190,103</u>	<u>1,097,576</u>
Total Expenditures	<u>3,248,757</u>	<u>2,985,800</u>	<u>70,187</u>	<u>68,417</u>	<u>3,318,945</u>	<u>3,054,217</u>
Excess of Revenues Over (Under) Expenditures	<u>(70,655)</u>	<u>110,025</u>	<u>(70,185)</u>	<u>(68,416)</u>	<u>(140,840)</u>	<u>41,609</u>
OTHER FINANCING SOURCES						
Michigan Transportation Fund distribution	793,491	784,553	--	--	793,491	784,553
Grants and transfers from other funds	201,091	270,153	69,893	68,417	270,984	338,570
Proceeds from notes issued	400,000	--	--	--	400,000	--
Proceeds from bonds issued	308,200	--	27,765	--	335,965	--
Premium on bonds issued	3,901	--	600	--	4,501	--
Total Other Financing Sources	<u>1,706,684</u>	<u>1,054,706</u>	<u>98,258</u>	<u>68,417</u>	<u>1,804,942</u>	<u>1,123,123</u>
OTHER FINANCING USES						
Michigan Transportation Fund distribution	793,491	784,553	--	--	793,491	784,553
Grants and transfers to other funds	229,351	232,814	1	1	229,352	232,816
Debt service	68,898	68,417	--	--	68,898	68,417
Payment to refunded bond escrow agent	--	--	28,072	--	28,072	--
Total Other Financing Uses	<u>1,091,740</u>	<u>1,085,785</u>	<u>28,073</u>	<u>1</u>	<u>1,119,813</u>	<u>1,085,786</u>
Excess of Other Financing Sources Over (Under) Other Financing Uses	<u>614,943</u>	<u>(31,078)</u>	<u>70,185</u>	<u>68,415</u>	<u>685,129</u>	<u>37,337</u>
Excess of Revenue and Other Sources Over (Under) Expenditures and Other Uses	544,288	78,946	--	--	544,288	78,946
Fund balances-Beginning of fiscal year	519,072	440,126	--	--	519,072	440,126
Fund balances-End of fiscal year	<u>\$ 1,063,361</u>	<u>\$ 519,072</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 1,063,361</u>	<u>\$ 519,072</u>

* Prior year amounts are restated, in accordance with GASB 34.

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

MICHIGAN DEPARTMENT OF TRANSPORTATION
COMBINED SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
SPECIAL REVENUE FUNDS
 FISCAL YEARS ENDED SEPTEMBER 30, 2001 and 2000
 (In Thousands)

(Statutory/Budgetary Basis)	2001			2000		
	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
REVENUES						
Taxes	\$ 1,925,948	\$ 1,925,948	\$ --	\$ 1,898,996	\$ 1,898,996	\$ --
License and permits	74,141	74,141	--	76,094	76,094	--
Federal aid	773,730	773,730	--	772,688	772,688	--
Local participation	57,711	57,711	--	43,862	43,973	111
Interest earnings	27,667	27,667	--	32,908	32,908	--
Non-operating revenue-bridges	2,309	2,309	--	2,389	2,389	--
Miscellaneous revenue	33,218	33,218	--	30,748	32,100	1,353
Total Revenues	2,894,724	2,894,724	--	2,857,685	2,859,149	1,463
EXPENDITURES AND ENCUMBRANCES						
Administration and maintenance	434,668	401,862	32,805	412,190	371,046	41,144
Bus operating assistance grants	166,306	166,273	33	161,526	159,362	2,164
Other grants	1,256,846	1,174,335	82,511	1,190,003	1,112,508	77,495
Airport development	128,633	127,641	992	85,982	84,569	1,413
Non-operating expenditure-bridges	2,309	2,286	23	2,389	2,367	23
Total Administration and Operations	1,988,762	1,872,398	116,365	1,852,090	1,729,852	122,238
Roads and bridges	924,693	924,137	556	1,059,042	1,055,624	3,419
Other capital outlay	57,093	20,762	36,331	41,538	12,447	29,091
Total Capital Outlay	981,786	944,899	36,887	1,100,581	1,068,071	32,510
Total Expenditures and Encumbrances	2,970,548	2,817,296	153,252	2,952,671	2,797,923	154,748
Excess Revenue Over (Under) Expenditures and Encumbrances	(75,824)	77,428	153,252	(94,986)	61,226	156,211
OTHER FINANCING SOURCES						
Michigan Transportation Fund distribution	793,491	793,491	--	784,553	784,553	--
Grants and transfers from other funds	194,761	194,761	--	192,616	255,516	62,900
Total Other Financing Sources	988,252	988,252	--	977,170	1,040,070	62,900
OTHER FINANCING USES						
Michigan Transportation Fund distribution	799,217	793,491	5,726	785,352	784,553	799
Grants and transfers to other funds	232,344	224,327	8,018	229,611	230,731	(1,120)
Debt service	68,898	68,898	--	68,418	68,417	2
Total Other Financing Uses	1,100,460	1,086,716	13,744	1,083,381	1,083,701	(320)
Excess Other Financial Sources Over (Under) Other Financial Uses	(112,208)	(98,464)	13,744	(106,211)	(43,631)	62,580
Excess of Revenue and Other Financial Sources Over (Under) Expenditures, Encumbrances and Other Financial Uses	\$ (188,032)	(21,036)	\$ 166,996	\$ (201,197)	17,594	\$ 218,791
RECONCILING ITEMS						
Encumbrances at September 30		70,267			67,862	
Funds not annually budgeted		495,057			(6,510)	
Net Reconciling Items		565,325			61,352	
Excess of Revenue and Other Financial Sources Over (Under) Expenditures and Other Financial Uses (GAAP Basis)		544,288			78,947	
FUND BALANCES (GAAP BASIS)						
Beginning balance		519,072			440,126	
Ending balances		\$ 1,063,361			\$ 519,072	

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

MICHIGAN DEPARTMENT OF TRANSPORTATION
NOTES TO FINANCIAL STATEMENTS
FISCAL YEAR ENDED SEPTEMBER 30, 2001

Note 1: Significant Accounting Policies

A. Reporting Entity

These financial statements report the financial activity of transportation related funds administered by the Department of Transportation (Department). Department administered funds by classification are:

Special Revenue

State Aeronautics Fund
State Trunkline Fund
Michigan Transportation Fund
Transportation Related Trust Fund
Blue Water Bridge Fund
Comprehensive Transportation Fund
Combined State Trunkline Fund Bond Proceeds Fund
Combined Comprehensive Transportation Bond Proceeds Fund

Debt Service

Combined State Trunkline Bond and Interest Redemption Fund
Combined Comprehensive Transportation Bond and Interest Redemption Fund

Expendable Trust

The Transportation Related Trust Fund was classified as an expendable trust fund in fiscal year 2000, and prior years. This fund now meets the criteria of a special revenue fund according to GASB 34.

The above funds are a part of the State of Michigan reporting entity and are reported in the SOMCAFR. The SOMCAFR provides general disclosures regarding summary of significant accounting policies, treasurer's common cash, pension benefits, compensated absences (annual leave and sick leave accumulations), general long-term obligations, interfund receivables and payables, contingencies, and commitments.

Note 1 continued on next page.

MICHIGAN DEPARTMENT OF TRANSPORTATION
NOTES TO FINANCIAL STATEMENTS
 FISCAL YEAR ENDED SEPTEMBER 30, 2001

On September 1, 2000, the International Bridge Authority paid off the 40 year bonds which financed the construction of the International Bridge at Sault Ste. Marie, Michigan. As a result, the International Bridge Authority was dissolved, and the Michigan Department of Transportation (MDOT) and the St. Mary's River Bridge Company (SMRBC), a Canadian Corporation, share ownership of the International Bridge. A 40 year intergovernmental agreement between MDOT and SMRBC went into effect on September 1, 2000. This agreement formed the Joint International Bridge Authority (JIBA) and the International Bridge Administration (IBA). The JIBA is a non-profit organization with six members. Three members are selected by the Governor of Michigan and three by SMRBC, which is controlled by the Minister of Transport. The IBA is made up of MDOT employees who are responsible for the administration, operation, repair, and improvement of the International Bridge. Revenue from bridge tolls covers the expenses of the IBA. Neither owner is required to provide financial support for the bridge.

Summary financial information for the International Bridge Authority as of its fiscal year ended August 31, 2001, with comparative information for the fiscal year ended August 31, 2000, follows (in thousands):

	<u>FY 2001</u>	<u>FY 2000</u>
Assets	\$ 5,228	\$ 4,093
Liabilities	523	1,675
Total Equity	4,704	2,418 **
Total Revenues and Other Sources	5,371*	7,996
Total Expenditures and Other Uses	3,085	9,019
Excess of Revenue and Other Sources		
Over (Under) Expenditures and Other Uses	2,286	(1,023)
Fixed Assets (Cost)	20,868 t	5,162
Long-Term Debt (Bonds Payable)	--	--
Long-Term Debt (Accrued Compensated Absences)	266	310

* FY2001 Total Revenues includes a \$331.5 gain on the sale of Fixed Assets.

** FY2000 Total Equity includes a \$43 adjustment for prior period expenses related to service fees for State of Michigan payroll processing.

t Fixed Assets includes the bridge structure (\$15,616) as a capital asset under GASB 34.

The Mackinac Bridge Authority (Authority), a component unit of the State of Michigan, is reported in the SOMCAFR and is not reported in these statements. The Authority issues its own audited financial statements. Further information regarding the relationship between the Department and the Authority is provided in Note 6 of this report.

Note 1 continued on next page.

MICHIGAN DEPARTMENT OF TRANSPORTATION
NOTES TO FINANCIAL STATEMENTS
FISCAL YEAR ENDED SEPTEMBER 30, 2001

B. Basis of Presentation

The financial transactions of the Department are recorded in individual funds in the Michigan Administrative Information System (MAIN). The various transportation funds are combined in the SOMCAFR into fund types described as follows:

Governmental Fund Types

Special Revenue Funds: This fund group includes operating funds that account for the proceeds of certain specific revenue sources, which are legally restricted for specified purposes. This fund group includes the Transportation Related Trust Fund which was previously reported as a Trust Fund.

Debt Service Funds: This group accounts for the accumulation of resources for, and the payment of, general long-term debt principal and interest.

TOTALS (MEMORANDUM ONLY)

Amounts in the "total - memorandum only" columns represent summations of the fund types and account groups and are presented only for analytical purposes. The summations include interfund transactions, which have not been eliminated, and the captioned "amounts to be provided," which are not assets in the usual sense. Consequently, amounts shown in the "total- memorandum only" columns are not comparable to a consolidation.

C. Basis of Accounting

The financial statements contained in this report are prepared on the modified accrual basis of accounting. The modified accrual basis of accounting, fiscal year ends, and accounting practices are explained in more detail in the SOMCAFR.

D. Calculation Practice

Amounts recorded in the Department's financial statements are rounded to thousands of dollars, unless otherwise noted. Because of this, the amounts may not add to the totals.

Note 1 continued on next page.

MICHIGAN DEPARTMENT OF TRANSPORTATION
NOTES TO FINANCIAL STATEMENTS
 FISCAL YEAR ENDED SEPTEMBER 30, 2001

E. Reserved Fund Balance

A comparative analysis of the State Trunkline Fund reserved fund balance at September 30, 2001 and September 30, 2000, follows (in thousands):

	<u>FY 2001</u>	<u>FY 2000</u>
Reserves:		
Capital Outlay:		
Facilities	\$ 23,414	\$ 32,932
Institutional Roads	856	1,079
Rail Grade Crossing	--	--
Critical Bridge	--	--
Road and Bridge	<u>93,758</u>	<u>41,211</u>
Total Capital Outlay Reserves	\$ 118,028	\$ 75,222
Encumbrances	28,948	23,317
Restricted Revenue	209,164	210,312
Work Projects	7,220	6,507
Revolving Loan Program	21,746	13,987
Construction and Debt Service	35,902	35,901
Noncurrent Assets:		
Capital Equipment Loans	18,296	16,319
Maintenance Advances	7,689	7,645
Local Unit Loans	<u>--</u>	<u>--</u>
Total Noncurrent Assets	\$ 25,985	\$ 23,964
Total Reserved Fund Balance	<u>\$ 446,993</u>	<u>\$ 389,209</u>

Notes continued on next page.

MICHIGAN DEPARTMENT OF TRANSPORTATION
NOTES TO FINANCIAL STATEMENTS
FISCAL YEAR ENDED SEPTEMBER 30, 2001

Note 2: Budgeting and Budgetary Control

The SOMCAFR provides disclosures regarding budgetary control. The budget column of the budget to actual statement represents legislative authorization after adjustments for carry-overs, transfers, and restricted revenue shortfalls. "Favorable variances" generally reflect unused general purpose spending authority ("lapses") and/or unused restricted revenue authority, which carry over as a reservation of fund balance and/or general purpose revenue exceeding estimates. "Unfavorable variances" reflect either general purpose revenue estimate shortfalls or budgetary overdrafts. If both favorable and unfavorable variances exist for a particular line, the amount shown is the net variance.

In 2001 and 2000, amounts were appropriated in the Blue Water Bridge Fund for operational costs and for partial repayment of the loan due to the State Trunkline Fund. Loan repayments of \$2.5 million were made in both fiscal years 2001 and 2000. The repayment reduced amounts due to other funds. No expenditures were incurred and the related appropriation lapsed.

Notes continued on next page.

MICHIGAN DEPARTMENT OF TRANSPORTATION
NOTES TO FINANCIAL STATEMENTS
 FISCAL YEAR ENDED SEPTEMBER 30, 2001

Note 3: Current Receivables

A. Contested and Delinquent Receivables

Current receivables recorded in the financial statements represent amounts due to the Department as of September 30, 2001 and 2000, and will be collected within 12 months. Receivables not due for collection within 12 months are classified as long-term assets with an offsetting deferred revenue or fund balance reserve. Due to the uncertainty associated with contested receivables in litigation or pending litigation and delinquent receivables referred to a third party for collection, these receivables are recorded in an allowance for doubtful accounts, with the net amount reported in the financial statements (in thousands).

	<u>Contested</u>		<u>Delinquent</u>		<u>Fund Total</u>	
	<u>2001</u>	<u>2000</u>	<u>2001</u>	<u>2000</u>	<u>2001</u>	<u>2000</u>
State Aeronautics Fund	\$ 769	\$ 6,480	\$ --	\$ --	\$ 769	\$ 6,480
State Trunkline Fund	--	43	603	3,025	603	3,068
Comprehensive Transportation Fund	3,000	3,000	271	700	3,271	3,700
State Trunkline Bond Proceeds Fund	--	--	264	4	264	4
Transportation Related Trust Fund	--	--	9	24	9	24
Total Allowance for Doubtful Accounts	<u>\$ 3,769</u>	<u>\$ 9,523</u>	<u>\$ 1,147</u>	<u>\$ 3,753</u>	<u>\$ 4,916</u>	<u>\$ 13,276</u>

B. Taxes Receivable

In the Michigan Transportation Fund, the net amount of current receivables, \$227.8 million and \$186.4 million, and allowances for uncollectible receivables, \$118.4 million and \$85.4 million, were recorded for motor fuel taxes due to the fund as of September 30, 2001 and 2000, respectively. The reporting of a gross receivable net of a related allowance for uncollectible accounts is consistent with the treatment of other taxes receivable reported in the SOMCAFR.

Note 3 continued on next page.

MICHIGAN DEPARTMENT OF TRANSPORTATION
NOTES TO FINANCIAL STATEMENTS
FISCAL YEAR ENDED SEPTEMBER 30, 2001

C. Federal Highway Administration (FHWA) Receivable

The Department recorded federal aid receivables in the State Trunkline Fund, State Trunkline Bond Proceeds Fund, and Transportation Related Trust Fund totaling \$154.4 million and \$132.5 million for the fiscal years ending September 30, 2001 and 2000, respectively. Of those amounts \$64.4 million and \$66.9 million, respectively, were recorded from the "To-Be-Billed Summary". The "To-Be-Billed Summary" consists primarily of project costs that exceeded the contract amounts agreed to by the FHWA and represent federal funds earned by the Department but not requested for reimbursement. Consistent with past practices, contract amounts will be increased as federal aid becomes available. No long-term federal aid receivables were recorded for fiscal year ending September 30, 2001.

A. Advance Construction

Under an agreement with FHWA, the Department has, over a period of years, qualified a number of construction projects without placing them under a reimbursement agreement. These deferred federal aid projects may be converted to current reimbursement at the option of the Department, provided that there are adequate federal aid allocations. The arrangement was worked out between the states and the federal government so that the states could obtain federal reimbursement not received during the construction period, in case a relatively greater amount of federal aid became available at some later date or to assist in balancing the federal aid from year to year. At the end of fiscal year 2000, the Department had \$119,490,078 of State Trunkline expenditures on projects not under reimbursement agreement. \$118,414,883 of these expenditures were placed under reimbursement agreement by the end of fiscal year 2001. The remaining \$1,075,195 is included in the fiscal year 2001 amount below. At the end of fiscal year 2001, the Department had \$213,292,858 of State Trunkline expenditures on projects not under reimbursement agreement.

Notes continued on next page.

MICHIGAN DEPARTMENT OF TRANSPORTATION
NOTES TO FINANCIAL STATEMENTS
FISCAL YEAR ENDED SEPTEMBER 30, 2001

Note 4: Excess of Expenditures Over Appropriation

Budgetary control for State Trunkline Fund, Blue Water Bridge Fund, State Aeronautics Fund, Michigan Transportation Fund, and Comprehensive Transportation Fund expenditures is established by line-item appropriation within each fund's total appropriation.

The Department incurred no overexpenditures in fiscal year 2001 or in fiscal year 2000.

Notes continued on next page.

MICHIGAN DEPARTMENT OF TRANSPORTATION
NOTES TO FINANCIAL STATEMENTS
 FISCAL YEAR ENDED SEPTEMBER 30, 2001

Note 5: Interfund Commitments - Michigan Transportation Fund with State Trunkline Fund and Comprehensive Transportation Fund

Interfund transactions are reported as other financing sources and uses on our Schedule of Revenues, Expenditures, and Changes in Fund Balances, as they are commitments between funds and do not increase or decrease the revenues or expenditures of the department as a whole.

MDOT's most significant interfund commitment is the distribution of Michigan Transportation Fund (MTF) revenues to the State Trunkline Fund (STF) and Comprehensive Transportation Fund (CTF). This distribution is in accordance with section 247.660 of Public Act 51 of 1951, as amended.

MTF collects various taxes such as gasoline taxes, diesel taxes, motor carrier taxes, and vehicle license taxes. Before the distribution is calculated, various deductions are taken from MTF's total gross receipts. These deductions include funding for debt service payments, the Rail Grade crossing program, administrative costs for divisions within MDOT, and grants with other State agencies.

CTF receives ten percent of the remaining balance from MTF. After CTF's balance is distributed, additional deductions are taken for the Critical Bridge program, the Economic Development program, and the Local Road program. Three of the four cents a gallon that MDOT receives for gasoline taxes is then added to the total. STF receives 39.1 percent of the remaining balance.

Other transfers from MTF to STF and CTF are also required by P.A. 51 of 1951, or the current year's appropriation bill. See the table below for MTF's interfund transfers to STF and CTF in FY 2001.

<u>Interfund Transactions</u>	<u>STF</u>	<u>CTF</u>
MTF Distribution	\$634,294,118	\$159,197,097
Debt Service	43,000,000	--
Economic Development Program	40,275,000	--
Local Road Program	33,000,000	--
Critical Bridge	7,384,167	--
Planning	4,555,555	--
Highways	3,015,027	--
Rail Grade Crossing	3,000,000	--
Railroad Safety & Tarriffs	--	1,094,567
Finance and Administration	1,086,400	--
Worker's Compensation	35,900	--
Office of Information Management	<u>7,416</u>	<u>--</u>
 Total	 <u>\$769,653,583</u>	 <u>\$160,291,664</u>

Notes continued on next page.

MICHIGAN DEPARTMENT OF TRANSPORTATION
NOTES TO FINANCIAL STATEMENTS
FISCAL YEAR ENDED SEPTEMBER 30, 2001

Note 6: Component Unit - Mackinac Bridge Authority

The Mackinac Bridge Authority (Authority), which is reported as a governmental component unit in the SOMCAFR, has over the years received \$75.3 million of subsidies for operations (\$12.3 million) and debt service (\$63.0 million). These subsidies were provided by the State Trunkline Fund and the Michigan Transportation Fund, respectively, both of which are special revenue funds. The Authority redeemed its remaining bonds on July 1, 1986.

State statutes require that the Authority continue charging bridge tolls and begin repaying the State Trunkline Fund and the Michigan Transportation Fund for the subsidies provided. These repayments would continue until such time as the subsidies have been completely returned. Executive Order 1986-14 created the Governor's Mackinac Bridge Task Force to develop an advisory proposal concerning reimbursement of the subsidies, future funding of repair and renovation costs, and the bridge toll structure. The Authority has not recorded a liability, and the state funds have not recorded receivables for these subsidies, because the reimbursements are contingent upon future net revenues and because the repayment commitment is long-term and budgetary in nature. Repayments may be authorized by the Authority after consideration of the Authority's annual needs for its operations and planned repairs and improvements.

The Authority repaid \$9,250,000 between fiscal years 1993 and 2000, with an additional \$250,000 repaid in fiscal year 2001, to the Michigan Transportation Fund. These repayments come directly from the revenue generated by bridge tolls and are not included as a financing use of the State Trunkline Fund. A balance of \$53,500,000 is owed to the Michigan Transportation Fund and a balance of \$12,306,172 is owed to the State Trunkline Fund.

For the fiscal year ended September 30, 2001, a current receivable of \$1,318,079.08 is recorded in the State Trunkline Fund's balance sheet as an amount due from component units for the authority's reimbursement of payroll and related expenses. An account payable due to the Department is recorded in the Authority's balance sheet.

Notes continued on next page.

MICHIGAN DEPARTMENT OF TRANSPORTATION
NOTES TO FINANCIAL STATEMENTS
FISCAL YEAR ENDED SEPTEMBER 30, 2001

Note 7: Contingencies and Commitments

A. Litigation

The Department is party to various legal proceedings seeking damages and other relief including injunctive or mandatory relief. The ultimate disposition of such legal proceedings is not presently determinable, but such ultimate disposition and consequences of all these legal proceedings will not, themselves, in the opinion of the State of Michigan's Attorney General, have a materially adverse effect on the Department's financial position.

The Department accrues liabilities related to significant legal proceedings if a loss is probable and reasonably estimable. In the event that a significant, probable, and reasonably estimable loss is not settled prior to preparation of these statements, the obligation is recorded as a general long-term liability.

B. Federal Grants

Federal revenues are generally subject to review and audit by grantor agencies or their designees. Such audits could lead to a request for reimbursement to the grantor agencies for expenditures disallowed under the terms of the grant. As of September 30, 2001 and 2000, the Department estimates the disallowance of recognized revenues will not be material to the financial statements.

C. Construction Projects

The Department has entered into construction contracts for transportation related special revenue funds and trust funds. As of September 30, 2001 and 2000, the balances remaining on these contracts equaled \$583.2 million and \$500.2 million, respectively. As of September 30, 2001 and 2000, the balances remaining on these contracts, less the trust fund equaled \$508.0 million and \$423.6 million, respectively. As of September 30, 2001 and 2000, the balances remaining on these contracts in the State Trunkline Fund equaled \$283.3 million and \$390.2 million, respectively.



FUND DESCRIPTIONS

**COMBINING FINANCIAL STATEMENTS
AND
SCHEDULES**

MICHIGAN DEPARTMENT OF TRANSPORTATION
DESCRIPTIONS OF SPECIAL REVENUE FUNDS
FISCAL YEAR ENDED SEPTEMBER 30, 2001

MICHIGAN TRANSPORTATION FUND

This fund, established by Public Act 51 of 1951, Section 10, as amended, is administered jointly by the Department of Transportation and the Department of State. In addition, some of the fund revenue is collected by the Department of Treasury. The fund is a receiving fund for the several tax revenues dedicated to highway purposes. Transfers are made to the General Fund to pay the cost of collection of the dedicated revenues and to the State Trunkline Fund, Comprehensive Transportation Fund, the Economic Development Sub-Fund, and the Recreation Improvement Sub-Fund in accordance with the statutory formula. Expenditures consist of grants to counties, cities, and villages for highway purposes in accordance with statutory formula.

STATE TRUNKLINE FUND

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

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

BLUE WATER BRIDGE FUND

The fund was administratively established to account for the Blue Water Bridge project. Through provisions of Section 1012 in the federal ISTEA Act of 1991, the State Trunkline Fund received federal funds to be loaned to the Blue Water Bridge Fund for construction of the Blue Water Bridge project. Repayment of the \$45 million loan began in 1998. Repayments of the loan are expected to occur each fiscal year. The term of the loan will not exceed 30 years from the time the loan was obligated.

MICHIGAN DEPARTMENT OF TRANSPORTATION
DESCRIPTIONS OF SPECIAL REVENUE FUNDS
FISCAL YEAR ENDED SEPTEMBER 30, 2001

COMPREHENSIVE TRANSPORTATION FUND

The Comprehensive Transportation Fund was created for the purpose of planning, developing and funding public transportation systems within the State. It was created by Public Acts 326, 327, and 328 of 1972, and Public Act 197 of 1973. In 1975, Public Acts 195, 196, and 239 were enacted, providing further additions and amendments to the laws governing this fund. Fund revenues consist primarily of federal and local revenues, vehicle-related sales tax, and transfers from the Michigan Transportation Fund. In accordance with statutory provisions, any unencumbered balance at fiscal year end lapses and reverts to the fund for appropriation in the following fiscal year.

STATE AERONAUTICS FUND

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

COMBINED STATE TRUNKLINE FUND BOND PROCEEDS FUND

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

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

1989 STATE TRUNKLINE FUND BOND PROCEEDS FUND

This fund was established pursuant to Section 18(b) of Public Act 51 of 1951, as amended, to account for the proceeds of up to \$136 million of state trunkline bonds. The bonds are not general obligations of the State of Michigan but are payable solely out of funds restricted as to use for state trunkline purposes by Section 9 of Article IX of the Michigan Constitution and irrevocably pledged by law for deposit in the State Trunkline Fund.

The State Transportation Commission approved issuance of \$136 million of Series A bonds in 1989. Approximately \$100 million of the proceeds are to be used for Transportation Economic Development Fund projects, and approximately \$30 million of the proceeds are to be used for the purchase of right-of-ways.

MICHIGAN DEPARTMENT OF TRANSPORTATION
DESCRIPTIONS OF SPECIAL REVENUE FUNDS
FISCAL YEAR ENDED SEPTEMBER 30, 2001

COMBINED STATE TRUNKLINE FUND BOND PROCEEDS FUND (continued)

1992 STATE TRUNKLINE FUND BOND PROCEEDS FUND

This fund was established pursuant to Section 18(b) of Public Act 51 of 1951, as amended, to account for the proceeds of up to \$205.2 million of state trunkline bonds. The bonds are not general obligations of the State of Michigan, but are payable solely out of the funds restricted as to use for state trunkline purposes by Section 9 Article IX of the Michigan Constitution and irrevocably pledged by law for deposit in the State Trunkline Fund.

1992 STATE TRUNKLINE FUND CRITICAL BRIDGE BOND PROCEEDS FUND

This fund was established pursuant to Section 18(b) of Public Act of 1951, as amended, to account for the proceeds of up to \$30 million of state trunkline bonds. The bonds are not general obligations of the State of Michigan, but are payable solely out of the funds restricted as to use for state trunkline purposes by Section 9 of Article IX of the Michigan Constitution and irrevocably pledged by law for deposit in the State Trunkline Fund.

The State Transportation Commission approved the issuance of \$253.6 million of Series A bonds in 1992. Approximately \$30 million of the proceeds are to be used to finance the costs of reconstruction and repair of critical bridge projects.

1994 STATE TRUNKLINE FUND BOND PROCEEDS FUND

This fund was established pursuant to Section 18(b) of Public Act 51 of 1951, as amended, to account for the proceeds of up to \$150 million of state trunkline bonds. The bonds are not general obligations of the State of Michigan but are payable solely out of funds restricted as to use for state trunkline purposes by Section 9 of Article IX of the Michigan Constitution and irrevocably pledged by law for deposit in the State Trunkline Fund. Approximately \$149.2 million of the proceeds are to be used to finance the construction of various trunkline transportation projects.

1996 STATE TRUNKLINE FUND BOND PROCEEDS FUND

This fund was established pursuant to Section 18(b) of Public Act 51 of 1951, as amended, to account for the proceeds of up to \$54.5 million of state trunkline bonds. The bonds are not general obligations of the State of Michigan but are payable solely out of funds restricted as to use for state trunkline purposes by Section 9 of Article IX of the Michigan Constitution and irrevocably pledged by law for deposit in the State Trunkline Fund. The proceeds are to be used to finance the construction of various trunkline transportation projects and to pay the costs of issuance of the

bonds.

MICHIGAN DEPARTMENT OF TRANSPORTATION
DESCRIPTIONS OF SPECIAL REVENUE FUNDS
FISCAL YEAR ENDED SEPTEMBER 30, 2001

COMBINED STATE TRUNKLINE FUND BOND PROCEEDS FUND (continued)

2001 BUILD MICHIGAN III BOND PROCEEDS FUND

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

2001 BUILD MICHIGAN II GRANT ANTICIPATION NOTES

This fund was established pursuant to Section 18(b) of Public Act 51 of 1951, as amended, to account for the proceeds of up to \$400 million of state trunkline notes. The notes will be secured by a pledge of, and be payable solely from the State of Michigan's share of federal reimbursements for projects administered by the department and other eligible federal assistance that the department shall receive from the Federal Highway Administration with respect to federally-aided highway construction projects under or in accordance with Title 23 of the United States Code or any success highway program established under federal law, and the moneys in the Note Payment Fund. Proceeds of the notes will be used to provide the Department with funds to advance and accelerate the completion of the Build Michigan II highway program.

COMBINED COMPREHENSIVE TRANSPORTATION BOND PROCEEDS FUND

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

The Combined Comprehensive Transportation Bond Proceeds Fund consists of the following fund:

1992 COMPREHENSIVE TRANSPORTATION FUND BOND PROCEEDS FUND

This fund was established pursuant to Section 18(b) of Public Act 51 of 1951, as amended, to account for the proceeds of up to \$35.2 million of comprehensive transportation bonds. The bonds are not general obligations of the State of Michigan but are payable solely out of the funds

restricted as to use for comprehensive transportation purposes by Section 9 of Article IX of the Michigan Constitution and irrevocably pledged by law for deposit in the Comprehensive Transportation Fund.

**MICHIGAN DEPARTMENT OF TRANSPORTATION
DESCRIPTIONS OF SPECIAL REVENUE FUNDS
FISCAL YEAR ENDED SEPTEMBER 30, 2001**

COMBINED COMPREHENSIVE TRANSPORTATION BOND PROCEEDS FUND (cont.)

The State Transportation Commission approved the issuance of \$37.6 million of Series A bonds in 1992. Approximately \$35.2 million of the proceeds are to be used to finance the costs of construction and acquisition of comprehensive transportation projects.

In fiscal year 2001, the State Transportation Commission approved the issuance of \$27.8 million of Series A Bonds to refund the 1992 Series A Bonds. Proceeds from the sale of the bonds will be used to refund outstanding maturities and to pay issuance costs on the bonds.

TRANSPORTATION RELATED TRUST FUND

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

SPECIAL FEDERAL BRIDGE REPLACEMENT TRUST FUND

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

FEDERAL COUNTY ROAD TRUST FUND

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

FEDERAL URBAN TRANSPORTATION SYSTEM TRUST FUND

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

HIGHWAY TOPICS AND SAFETY PROGRAM TRUST FUND

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

MICHIGAN DEPARTMENT OF TRANSPORTATION
DESCRIPTIONS OF SPECIAL REVENUE FUNDS
FISCAL YEAR ENDED SEPTEMBER 30, 2001

TRANSPORTATION RELATED TRUST FUND (continued)

METROPOLITAN PLANNING FUND

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

MICHIGAN DEPARTMENT OF TRANSPORTATION
COMBINING BALANCE SHEET - SPECIAL REVENUE FUNDS
 SEPTEMBER 30, 2001 and 2000
 (In Thousands)

ASSETS	MICHIGAN TRANSPORTATION FUND		STATE TRUNKLINE FUND		BLUE WATER BRIDGE FUND		COMPREHENSIVE TRANSPORTATION FUND		STATE AERONAUTICS FUND		COMBINED TRUNKLINE FUND BOND PROCEEDS	
	2001	2000	2001	2000	2001	2000	2001	2000	2001	2000	2001	2000
Current Assets:												
Cash and cash equivalents	\$ --	\$ --	\$ 263	\$ 160	\$ 63	\$ 16	\$ 1	\$ --	\$ 5	\$ --	\$ --	\$ --
Equity in Common Cash	181,976	177,929	380,268	368,113	17,019	15,115	69,653	82,727	11,082	13,938	514,108	19,966
Receivable:												
Taxes, interest, and penalties (at net)	114,409	96,754	--	--	--	--	--	--	535	759	--	--
Federal aid	--	--	99,224	106,424	--	--	12,754	6,502	21,797	27,636	23,078	2,262
Local units	--	--	20,754	17,150	--	--	344	238	3,751	3,171	1,874	327
Other funds and components	--	--	48,862	43,224	--	--	12,090	10,603	--	--	4,740	--
Miscellaneous	4,614	4,176	6,453	6,944	11	4,120	133	837	40	89	4	264
Inventories	--	--	8,079	6,951	--	--	--	--	--	--	--	--
Total Current Assets	300,999	278,859	563,904	548,967	17,093	19,250	94,975	100,907	37,211	45,593	543,805	22,819
Noncurrent Assets:												
Receivables:												
Taxes	6,347	1,562	--	--	--	--	--	--	--	129	--	--
Federal aid	--	--	--	--	--	--	--	--	--	1,352	--	--
Local units	--	--	37,173	31,084	--	--	2,154	1,997	974	839	--	--
Advances to other funds	--	--	26,442	28,942	--	--	--	--	--	--	--	--
Land contracts	--	--	3,935	3,777	--	--	--	--	--	--	--	--
Miscellaneous	--	--	--	--	--	--	2,935	1,609	--	--	--	--
Total Noncurrent Assets	6,347	1,562	67,549	63,802	--	--	5,089	3,606	974	2,320	--	--
Total Assets	\$ 307,345	\$ 280,421	\$ 631,454	\$ 612,768	\$ 17,093	\$ 19,250	\$ 100,064	\$ 104,513	\$ 38,184	\$ 47,913	\$ 543,805	\$ 22,819
LIABILITIES AND FUND BALANCES												
Current Liabilities:												
Warrants outstanding	\$ 1,430	\$ 1,182	\$ 6,786	\$ 19,895	\$ 4	\$ --	\$ 876	\$ 555	\$ 891	\$ 411	\$ 1,499	\$ 571
Accounts payable	232,969	226,971	129,913	157,379	171	184	21,118	16,303	13,291	26,824	23,075	3,109
Contract reserve payable	--	--	10,200	10,319	--	--	39	36	983	840	1,126	1,229
Amounts due to other funds	54,634	47,916	1,314	1,062	5,017	5,013	41	33	26	21	--	--
Deposits, permits and other liabilities	--	--	2,881	1,987	--	--	854	1,242	--	--	--	--
Deferred revenue	11,966	2,789	2,976	3,193	646	309	--	69	5,092	3,698	969	397
Total Current Liabilities	300,999	278,859	154,070	193,835	5,837	5,506	22,927	18,238	20,283	31,794	26,669	5,306
Long-Term Liabilities:												
Deferred revenue	6,347	1,562	15,205	14,527	--	--	2,935	1,609	--	129	--	--
Advances from other funds	--	--	--	--	26,442	28,942	--	--	--	--	--	--
Total Liabilities	307,345	280,421	169,275	208,362	32,279	34,448	25,862	19,847	20,283	31,924	26,669	5,306
Fund Balances:												
Reserved for encumbrances	--	--	28,948	23,317	--	--	38,379	43,132	2,940	1,412	--	--
Reserved for unencumbered restricted revenue balances	--	--	209,164	210,312	--	--	7,373	1,760	154	150	--	--
Reserved for unencumbered capital outlay and work projects	--	--	125,248	81,729	--	--	--	--	11,742	10,875	--	--
Reserved for revolving loan programs	--	--	21,746	13,987	--	--	14,200	12,200	2,200	2,200	--	--
Reserved for construction and debt service	--	--	35,902	35,901	--	--	--	--	--	--	--	--
Reserved for noncurrent assets	--	--	25,985	23,964	--	--	--	--	--	1,352	--	--
Total Reserved	--	--	446,993	389,209	--	--	59,952	57,092	17,036	15,989	--	--
Unreserved	--	--	15,185	15,197	(15,186)	(15,197)	14,250	27,575	865	1	517,136	17,512
Total Fund Balances	--	--	462,179	404,406	(15,186)	(15,197)	74,202	84,667	17,901	15,990	517,136	17,512
Total Liabilities and Fund Balances	\$ 307,345	\$ 280,421	\$ 631,454	\$ 612,768	\$ 17,093	\$ 19,250	\$ 100,064	\$ 104,513	\$ 38,184	\$ 47,913	\$ 543,805	\$ 22,819

ASSETS	COMBINED TRANSPORTATION BOND PROCEEDS FUND		TRANSPORTATION RELATED TRUST FUND		TOTALS	
	2001	2000	2001	2000 *	2001	(Restated) 2000*
Current Assets:						
Cash and cash equivalents	\$ -	\$ -	\$ 62	\$ -	\$ 394	\$ 176
Equity in Common Cash	7,742	11,696			1,181,848	689,483
Receivable:						
Taxes, interest, and penalties (at net)	-	-	-	-	114,943	97,513
Federal aid	-	-	32,119	23,771	188,973	166,596
Local units	-	-	12,562	14,798	39,285	35,684
Other funds and components	-	-	-	-	65,692	53,827
Miscellaneous	-	-	319	211	11,576	16,641
Inventories	-	-	-	-	8,079	6,951
Total Current Assets	7,742	11,696	45,062	38,780	1,610,791	1,066,871
Noncurrent Assets:						
Receivables:						
Taxes	-	-	-	-	6,347	1,691
Federal aid	-	-	-	-	-	1,352
Local units	-	-	-	-	40,301	33,920
Bus and rail lease purchase	-	-	-	-	26,442	28,942
Land contracts	-	-	-	-	3,935	3,777
Miscellaneous	-	-	-	-	2,935	1,609
Total Noncurrent Assets	-	-	-	-	79,958	71,290
Total Assets	\$ 7,742	\$ 11,696	\$ 45,062	\$ 38,780	\$ 1,690,750	\$ 1,138,161
LIABILITIES AND FUND BALANCES						
Current Liabilities:						
Warrants outstanding	\$ 2	\$ -	\$ 1,494	\$ 3,413	\$ 12,982	\$ 26,028
Accounts payable	612	1	27,843	25,618	448,992	456,389
Contract reserve payable	-	-	3,892	3,885	16,240	16,309
Amounts due to other funds	-	-	5,268	3,345	66,299	57,391
Deposits, permits and other liabilities	-	-	-	-	3,735	3,229
Deferred revenue	-	-	6,565	2,519	28,212	12,974
Total Current Liabilities	614	1	45,062	38,780	576,461	572,320
Long-Term Liabilities:						
Deferred revenue	-	-	-	-	24,486	17,828
Advances from other funds	-	-	-	-	26,442	28,942
Total Liabilities	614	1	45,062	38,780	627,389	619,089
Fund Balances:						
Reserved for encumbrances	-	-	-	-	70,267	67,862
Reserved for unencumbered restricted revenue balances	-	-	-	-	216,691	212,221
Reserved for unencumbered capital outlay and work projects	-	-	-	-	136,990	92,604
Reserved for Revolving Loan Programs	-	-	-	-	38,146	28,387
Reserved for construction and debt service	-	-	-	-	35,902	35,901
Reserved for noncurrent assets	-	-	-	-	25,985	25,315
Total Reserved	-	-	-	-	523,982	462,290
Unreserved	7,128	11,694	-	-	539,379	56,783
Total Fund Balances	7,128	11,694	-	-	1,063,360	519,072
Total Liabilities and Fund Balances	\$ 7,742	\$ 11,696	\$ 45,062	\$ 38,780	\$ 1,690,750	\$ 1,138,161

* Prior year amounts are restated in accordance with GASB 34. The Transportation Related Trust Fund is reclassified from an expendable trust fund to a special revenue fund.



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MICHIGAN DEPARTMENT OF TRANSPORTATION
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
SPECIAL REVENUE FUNDS
 FISCAL YEARS ENDED SEPTEMBER 30, 2001 and 2000
 (In Thousands)

	MICHIGAN TRANSPORTATION FUND		STATE TRUNKLINE FUND		BLUE WATER BRIDGE FUND		COMPREHENSIVE TRANSPORTATION FUND		STATE AERONAUTICS FUND		COMBINED TRUNKLINE FUND BOND PROCEEDS FUND	
	2001	2000	2001	2000	2001	2000	2001	2000	2001	2000	2001	2000
REVENUES												
Taxes	\$ 1,845,514	\$ 1,821,564	\$ --	\$ --	\$ --	\$ --	\$ 73,728	\$ 69,699	\$ 6,706	\$ 7,732	\$ --	\$ --
License and permits	54,671	55,171	18,898	20,357	--	--	258	268	314	299	--	--
Federal aid	--	--	655,096	696,174	--	--	31,987	18,006	86,647	58,508	31,312	21,109
Local participation	--	--	36,205	32,520	--	--	65	295	21,440	11,159	8,516	128
Interest earnings on common cash	10,985	13,271	12,669	15,999	1,015	986	2,240	2,005	758	647	4,615	1,227
Non-operating revenue-bridges	--	--	2,309	2,389	--	--	--	--	--	--	--	--
Miscellaneous revenue	381	8	18,495	14,101	11,478	15,548	2,077	1,322	785	1,121	--	18
Total Revenues	1,911,550	1,890,014	743,674	781,539	12,493	16,535	110,356	91,595	116,651	79,466	44,444	22,482
EXPENDITURES												
Administration and Operations:												
Administration and maintenance	--	28	358,374	327,768	3,823	3,130	9,876	9,811	6,898	6,614	--	--
Bus operating assistance grants	--	--	--	--	--	--	165,625	159,320	--	--	--	--
Other grants	914,782	901,684	140,162	119,277	--	--	81,840	49,025	--	--	--	--
Airport development	--	--	--	--	--	--	--	--	124,736	83,283	--	--
Non-operating expenditures-bridges	--	--	2,286	2,367	--	--	--	--	--	--	--	--
Trust fund construction activity	--	--	--	--	--	--	--	--	--	--	--	--
Capital lease payments	--	--	463	413	--	--	--	--	--	--	--	--
Total Administration and Operations	914,782	901,713	501,286	449,824	3,823	3,130	257,340	218,156	131,634	89,897	--	--
Capital Outlay:												
Roads and bridges	--	--	916,691	1,052,871	6,309	2,277	--	--	--	--	251,939	30,235
Other capital outlay	--	--	15,164	12,140	--	--	--	--	--	53	--	--
Total Capital Outlay	--	--	931,854	1,065,011	6,309	2,277	--	--	--	53	251,939	30,235
Total Expenditures	914,782	901,713	1,433,140	1,514,835	10,132	5,407	257,340	218,156	131,634	89,950	251,939	30,235
Excess of Revenues Over (Under) Expenditures	996,768	988,301	(689,466)	(733,296)	2,361	11,128	(146,984)	(126,561)	(14,984)	(10,484)	(207,496)	(7,753)
OTHER FINANCING SOURCES												
Michigan transportation fund distribution	--	--	634,294	627,699	--	--	159,197	156,854	--	--	--	--
Grants and transfers from other funds	1,990	2,557	174,508	237,411	--	--	1,103	1,198	17,160	14,351	31	3,421
Proceeds from notes issued	--	--	--	--	--	--	--	--	--	--	400,000	--
Proceeds from bonds issued	--	--	--	--	--	--	--	--	--	--	308,200	--
Premium on bonds issued	--	--	--	--	--	--	--	--	--	--	3,901	--
Total Other Financing Sources	1,990	2,557	808,802	865,110	--	--	160,300	158,052	17,160	14,351	712,132	3,421
OTHER FINANCING USES												
Michigan transportation fund distribution	793,491	784,553	--	--	--	--	--	--	--	--	--	--
Grants and transfers to other funds	205,267	206,304	16,671	21,553	41	9	2,083	2,620	265	244	5,013	1,894
Debt service	--	--	44,892	44,897	2,308	2,312	21,698	21,208	--	--	--	--
Total Other Financing Uses	998,758	990,858	61,563	66,451	2,350	2,320	23,781	23,828	265	244	5,013	1,894
Excess of Other Financing Sources Over (Under) Other Financing Uses	(996,768)	(988,301)	747,239	798,659	(2,350)	(2,320)	136,519	134,224	16,895	14,107	707,119	1,527
Excess of Revenue and Other Sources Over (Under) Expenditures and Other Uses	--	--	57,773	65,363	11	8,807	(10,465)	7,663	1,912	3,623	499,624	(6,226)
Fund balances-Beginning of fiscal year	--	--	404,406	339,043	(15,197)	(24,004)	84,667	77,004	15,990	12,367	17,512	23,739
Fund balances-End of fiscal year	\$ --	\$ --	\$ 462,179	\$ 404,406	\$ (15,186)	\$ (15,197)	\$ 74,202	\$ 84,667	\$ 17,901	\$ 15,990	\$ 517,136	\$ 17,512

	COMBINED COMPREHENSIVE TRANSPORTATION BOND PROCEEDS FUND		TRANSPORTATION RELATED TRUST FUND		TOTALS (Restated)	
	2001	2000	2001	2000*	2001	2000*
REVENUES						
Taxes	\$ --	\$ --	\$ --	\$ --	\$ 1,925,948	\$ 1,898,996
License and permits	--	--	--	--	74,141	76,094
Federal aid	--	--	183,232	166,468	988,275	960,265
Local participation	--	--	55,093	46,504	121,320	90,605
Interest earnings on common cash	607	730	--	--	32,890	34,866
Non-operating revenue-bridges	--	--	--	--	2,309	2,389
Miscellaneous revenue	2	--	--	492	33,220	32,610
Total Revenues	609	730	238,325	213,464	3,178,102	3,095,825
EXPENDITURES						
Administration and Operations:						
Administration and maintenance	--	--	--	--	378,971	347,352
Bus operating assistance grants	--	--	--	--	165,625	159,320
Other grants	5,173	1,010	--	--	1,141,957	1,070,996
Airport development	--	--	--	--	124,736	83,283
Non-operating expenditures-bridges	--	--	--	--	2,286	2,367
Trust fund construction activity	--	--	244,617	224,493	244,617	224,493
Capital lease payments	--	--	--	--	463	413
Total Administration and Operations	5,173	1,010	244,617	224,493	2,058,654	1,888,224
Capital Outlay:						
Roads and bridges	--	--	--	--	1,174,939	1,085,383
Other capital outlay	--	--	--	--	15,164	12,192
Total Capital Outlay	--	--	--	--	1,190,103	1,097,576
Total Expenditures	5,173	1,010	244,617	224,493	3,248,757	2,985,800
Excess of Revenues Over (Under) Expenditures	(4,563)	(280)	(6,291)	(11,029)	(70,655)	110,025
OTHER FINANCING SOURCES						
Michigan transportation fund distribution	--	--	--	--	793,491	784,553
Grants and transfers from other funds	--	--	6,300	11,216	201,091	270,153
Proceeds from notes issued	--	--	--	--	400,000	--
Proceeds from bonds issued	--	--	--	--	308,200	--
Premium on bonds issued	--	--	--	--	3,901	--
Total Other Financing Sources	--	--	6,300	11,216	1,706,684	1,054,706
OTHER FINANCING USES						
Michigan transportation fund distribution	--	--	--	--	793,491	784,553
Grants and transfers to other funds	3	3	8	187	229,351	232,814
Debt service	--	--	--	--	68,898	68,417
Total Other Financing Uses	3	3	8	187	1,091,740	1,085,785
Excess of Other Financing Sources Over (Under) Other Financing Uses	(3)	(3)	6,291	11,029	614,943	(31,078)
Excess of Revenue and Other Sources Over (Under) Expenditures and Other Uses	(4,566)	(283)	--	--	544,288	78,946
Fund balances-Beginning of fiscal year	11,694	11,978	--	--	519,072	440,126
Fund balances-End of fiscal year	<u>\$ 7,128</u>	<u>\$ 11,694</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 1,063,361</u>	<u>\$ 519,072</u>

* Prior year amounts have been restated to include activity of the Transportation Related Trust Fund. In accordance with GASB 34 reporting requirements, this fund has been reclassified from an expendable trust fund to a special revenue fund.



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MICHIGAN DEPARTMENT OF TRANSPORTATION
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
SPECIAL REVENUE FUNDS
 FISCAL YEAR ENDED SEPTEMBER 30, 2001
 (In Thousands)

(Statutory/Budgetary Basis)	MICHIGAN TRANSPORTATION FUND			STATE TRUNKLINE FUND			BLUE WATER BRIDGE FUND			COMPREHENSIVE TRANSPORTATION FUND		
	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
REVENUES												
Taxes	\$ 1,845,514	\$ 1,845,514	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ 73,728	\$ 73,728	\$ --
License and permits	54,671	54,671	--	18,898	18,898	--	--	--	--	258	258	--
Federal aid	--	--	--	655,096	655,096	--	--	--	--	31,987	31,987	--
Local participation	--	--	--	36,205	36,205	--	--	--	--	65	65	--
Interest earnings	10,985	10,985	--	12,669	12,669	--	1,015	1,015	--	2,240	2,240	--
Nonoperating revenue-bridges	--	--	--	2,309	2,309	--	--	--	--	--	--	--
Miscellaneous revenue	381	381	--	18,495	18,495	--	11,478	11,478	--	2,077	2,077	--
Total Revenues	1,911,550	1,911,550	--	743,674	743,674	--	12,493	12,493	--	110,356	110,356	--
EXPENDITURES AND ENCUMBRANCES												
Administration	--	--	--	404,783	380,907	23,876	10,380	3,966	6,414	11,627	10,055	1,572
Bus operating assistance grants	--	--	--	--	--	--	--	--	--	166,306	166,273	33
Other grants	921,401	914,782	6,619	200,987	140,162	60,825	--	--	--	134,459	119,391	15,068
Airport development	--	--	--	--	--	--	--	--	--	--	--	--
Nonoperating expenditure-bridges	--	--	--	2,309	2,286	23	--	--	--	--	--	--
Total Administration and Operations	921,401	914,782	6,619	608,079	523,355	84,724	10,380	3,966	6,414	312,392	295,719	16,673
Roads and bridges	--	--	--	918,345	917,828	517	6,348	6,309	38	--	--	--
Other capital outlay	--	--	--	57,093	20,762	36,331	--	--	--	--	--	--
Total Capital Outlay	--	--	--	975,438	938,589	36,849	6,348	6,309	38	--	--	--
Total Expenditures and Encumbrances	921,401	914,782	6,619	1,583,517	1,461,944	121,572	16,728	10,276	6,452	312,392	295,719	16,673
Excess of Revenue Over (Under) Expenditures and Encumbrances	990,150	996,768	6,619	(839,843)	(718,271)	121,572	(4,235)	2,218	6,452	(202,036)	(185,363)	16,673
OTHER FINANCING SOURCES												
Michigan transportation fund distribution	--	--	--	634,294	634,294	--	--	--	--	159,197	159,197	--
Grants and transfers from other funds	1,990	1,990	--	174,508	174,508	--	--	--	--	1,103	1,103	--
Total Financing Sources	1,990	1,990	--	808,802	808,802	--	--	--	--	160,300	160,300	--
OTHER FINANCING USES												
Michigan transportation fund distribution	799,217	793,491	5,726	--	--	--	--	--	--	--	--	--
Grants and transfers to other funds	215,129	205,267	9,862	16,601	16,671	(70)	--	41	(41)	278	2,083	(1,805)
Debt service	--	--	--	44,892	44,892	--	2,309	2,308	--	21,698	21,698	--
Total Financing Uses	1,014,346	998,758	15,588	61,493	61,563	(70)	2,309	2,350	(41)	21,976	23,781	(1,805)
Excess Other Financial Sources Over (Under) Other Financial Uses	(1,012,356)	(996,768)	15,588	747,309	747,239	(70)	(2,309)	(2,350)	(41)	138,324	136,519	(1,805)
Excess of Revenue and Other Financial Sources Over (Under) Expenditures, Encumbrances and Other Financial Uses (Statutory/Budgetary Basis)	\$ (22,207)	--	\$ 22,207	\$ (92,534)	28,968	\$ 121,502	\$ (6,543)	(132)	\$ 6,411	\$ (63,712)	(48,844)	\$ 14,868
Encumbrances at September 30	--	--	--	--	28,805	--	--	143	--	--	38,379	--
Funds not annually budgeted	--	--	--	--	--	--	--	--	--	--	--	--
Net Reconciling Items	--	--	--	--	28,805	--	--	143	--	--	38,379	--
Excess of Revenue and Other Financial Sources Over (Under) Expenditures and Other Financial Uses (GAAP Basis)	--	--	--	--	57,773	--	--	11	--	--	(10,465)	--
FUND BALANCES (GAAP BASIS)												
Beginning of fiscal year	--	--	--	404,406	404,406	--	--	(15,197)	--	--	84,667	--
End of fiscal year	\$ --	\$ --	\$ --	\$ 462,179	\$ 462,179	\$ --	\$ (15,186)	\$ (15,186)	\$ 6,411	\$ 74,202	\$ 74,202	\$ --

(Statutory/Budgetary Basis)	STATE AERONAUTICS FUND			COMBINED TRUNKLINE FUND BOND PROCEEDS FUND	COMBINED COMPREHENSIVE TRANSPORTATION BOND PROCEEDS FUND	TRANSPORTATION RELATED TRUST FUND*	TOTALS		
	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	ACTUAL	ACTUAL	ACTUAL	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
REVENUES									
Taxes	\$ 6,706	\$ 6,706	\$ --	\$ --	\$ --	\$ --	\$ 1,925,948	\$ 1,925,948	\$ --
License and permits	314	314	--	--	--	--	74,141	74,141	--
Federal aid	86,647	86,647	--	--	--	--	773,730	773,730	--
Local participation	21,440	21,440	--	--	--	--	57,711	57,711	--
Interest earnings	758	758	--	--	--	--	27,667	27,667	--
Nonoperating revenue-bridges	--	--	--	--	--	--	2,309	2,309	--
Miscellaneous revenue	785	785	--	--	--	--	33,218	33,218	--
Total Revenues	116,651	116,651	--	--	--	--	2,894,724	2,894,724	--
EXPENDITURES AND ENCUMBRANCES									
Administration	7,878	6,934	944	--	--	--	434,668	401,862	32,805
Bus operating assistance grants	--	--	--	--	--	--	166,306	166,273	33
Other grants	--	--	--	--	--	--	1,256,846	1,174,335	82,511
Airport development	128,633	127,641	992	--	--	--	128,633	127,641	992
Nonoperating expenditure-bridges	--	--	--	--	--	--	2,309	2,286	23
Total Administration and Operations	136,511	134,575	1,936	--	--	--	1,988,762	1,872,398	116,365
Roads and bridges	--	--	--	--	--	--	924,693	924,137	556
Other capital outlay	--	--	--	--	--	--	57,093	20,762	36,331
Total Capital Outlay	--	--	--	--	--	--	981,786	944,899	36,887
Total Expenditures and Encumbrances	136,511	134,575	1,936	--	--	--	2,970,548	2,817,296	153,252
Excess of Revenue Over (Under) Expenditures and Encumbrances	(19,860)	(17,924)	1,936	--	--	--	(75,824)	77,428	153,252
OTHER FINANCING SOURCES									
Michigan transportation fund distribution	--	--	--	--	--	--	793,491	793,491	--
Grants and transfers from other funds	17,160	17,160	--	--	--	--	194,761	194,761	--
Total Financing Sources	17,160	17,160	--	--	--	--	988,252	988,252	--
OTHER FINANCING USES									
Michigan transportation fund distribution	--	--	--	--	--	--	799,217	793,491	5,726
Grants and transfers to other funds	336	265	(72)	--	--	--	232,344	224,327	8,018
Debt service	--	--	--	--	--	--	68,898	68,898	--
Total Financing Uses	336	265	72	--	--	--	1,100,460	1,086,716	13,744
Excess Other Financial Sources Over (Under) Other Financial Uses	16,824	16,895	72	--	--	--	(112,208)	(98,464)	13,744
Excess of Revenue and Other Financial Sources Over (Under) Expenditures, Encumbrances and Other Financial Uses (Statutory/Budgetary Basis)	\$ (3,037)	(1,029)	\$ 2,008	--	--	--	\$ (188,032)	(21,036)	\$ 166,996
Encumbrances at September 30		2,940		--	--	--		70,267	
Funds not annually budgeted		--		499,624	(4,566)	--		495,057	
Net Reconciling Items		2,940		499,624	(4,566)	--		565,325	
Excess of Revenue and Other Financial Sources Over (Under) Expenditures and Other Financial Uses (GAAP Basis)		1,912		499,624	(4,566)	--		544,288	
FUND BALANCES (GAAP BASIS)									
Beginning of fiscal year		15,990		17,512	11,694	--		519,072	
End of fiscal year		\$ 17,901		\$ 517,136	\$ 7,128	\$ --		\$ 1,063,361	

* A column has been added to include the Transportation Related Trust Fund. In accordance with GASB 34 reporting requirements, this fund has been reclassified from an expendable trust fund to a special revenue fund.

MICHIGAN DEPARTMENT OF TRANSPORTATION
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
SPECIAL REVENUE FUNDS
 FISCAL YEAR ENDED SEPTEMBER 30, 2000
 (In Thousands)

(Statutory/Budgetary Basis)	MICHIGAN TRANSPORTATION FUND			STATE TRUNKLINE FUND			BLUE WATER BRIDGE FUND			COMPREHENSIVE TRANSPORTATION FUND		
	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
REVENUES												
Taxes	\$ 1,821,564	\$ 1,821,564	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ 69,699	\$ 69,699	\$ --
License and permits	55,171	55,171	--	20,357	20,357	--	--	--	--	268	268	--
Federal aid	--	--	--	696,174	696,174	--	--	--	--	18,006	18,006	--
Local participation	--	--	--	32,409	32,520	111	--	--	--	295	295	--
Interest earnings	13,271	13,271	--	15,999	15,999	--	986	986	--	2,005	2,005	--
Nonoperating revenue-bridges	--	--	--	2,389	2,389	--	--	--	--	--	--	--
Miscellaneous revenue	8	8	--	12,832	14,101	1,268	15,548	15,548	--	1,238	1,322	84
Total Revenues	1,890,014	1,890,014	--	780,160	781,539	1,379	16,535	16,535	--	91,511	91,595	84
EXPENDITURES AND ENCUMBRANCES												
Administration and maintenance	--	28	(28)	382,849	350,606	32,244	10,095	3,286	6,809	11,443	10,385	1,057
Bus operating assistance grants	--	--	--	--	--	--	--	--	--	161,526	159,362	2,164
Other grants	902,657	901,684	972	189,168	119,282	69,886	--	--	--	98,178	91,541	6,636
Airport development	--	--	--	--	--	--	--	--	--	--	--	--
Nonoperating expenditure-bridges	--	--	--	2,389	2,367	23	--	--	--	--	--	--
Total Administration and Operations	902,657	901,713	944	574,407	472,255	102,152	10,095	3,286	6,809	271,146	261,288	9,858
Roads and bridges	--	--	--	1,056,766	1,053,347	3,419	2,277	2,277	--	--	--	--
Other capital outlay	--	--	--	41,485	12,395	29,091	--	--	--	--	--	--
Total Capital Outlay	--	--	--	1,098,251	1,065,742	32,509	2,277	2,277	--	--	--	--
Total Expenditures and Encumbrances	902,657	901,713	944	1,672,658	1,537,997	134,662	12,371	5,563	6,809	271,146	261,288	9,858
Excess of Revenue Over (Under) Expenditures and Encumbrances	987,357	988,301	944	(892,498)	(756,457)	136,041	4,163	10,972	6,809	(179,636)	(169,694)	9,942
OTHER FINANCING SOURCES												
Michigan transportation fund distribution	--	--	--	627,699	627,699	--	--	--	--	156,854	156,854	--
Grants and transfers from other funds	2,557	2,557	--	174,511	237,411	62,900	--	--	--	1,198	1,198	--
Total Other Financing Sources	2,557	2,557	--	802,210	865,110	62,900	--	--	--	158,052	158,052	--
OTHER FINANCING USES												
Michigan Transportation Fund distribution	785,352	784,553	799	--	--	--	--	--	--	--	--	--
Grants and transfers to other funds	218,908	206,304	12,603	10,163	21,553	(11,391)	--	9	(9)	248	2,620	(2,371)
Debt service	--	--	--	44,897	44,897	--	2,312	2,312	--	21,209	21,208	2
Total Financing Uses	1,004,259	990,858	13,402	55,060	66,451	(11,391)	2,312	2,320	(9)	21,458	23,828	(2,370)
Excess Other Financial Sources Over (Under) Other Financial Uses	(1,001,703)	(988,301)	13,402	747,150	798,659	51,509	(2,312)	(2,320)	(9)	136,594	134,224	(2,370)
Excess of Revenue and Other Financial Sources Over (Under) Expenditures, Encumbrances and Other Financial Uses	\$ (14,346)	--	\$ 14,346	\$ (145,348)	42,201	\$ 187,550	\$ 1,851	8,651	\$ 6,800	\$ (43,042)	(35,469)	\$ 7,572
RECONCILING ITEMS												
Encumbrances at September 30	--	--	--	--	23,161	--	--	156	--	--	43,132	--
Funds not annually budgeted	--	--	--	--	--	--	--	--	--	--	--	--
Net Reconciling Items	--	--	--	--	23,161	--	--	156	--	--	43,132	--
Excess of Revenue and Other Financial Sources Over (Under) Expenditures and Other Financial Uses (GAAP Basis)	--	--	--	--	65,363	--	--	8,807	--	--	7,663	--
FUND BALANCES (GAAP BASIS)												
Beginning of fiscal year	--	--	--	339,043	339,043	--	(24,004)	(24,004)	--	77,004	77,004	--
End of fiscal year	\$ --	\$ --	\$ --	\$ 404,406	\$ 404,406	\$ --	\$ (15,197)	\$ (15,197)	\$ --	\$ 84,667	\$ 84,667	\$ --

(Statutory/Budgetary Basis)	STATE AERONAUTICS FUND			COMBINED TRUNKLINE FUND BOND PROCEEDS FUND	COMBINED COMPREHENSIVE TRANSPORTATION BOND PROCEEDS FUND	TRANSPORTATION RELATED TRUST FUND*	TOTALS		
	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	ACTUAL	ACTUAL	ACTUAL	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
REVENUES									
Taxes	\$ 7,732	\$ 7,732	\$ --	\$ --	\$ --	\$ --	\$ 1,898,996	\$ 1,898,996	\$ --
License and permits	299	299	--	--	--	--	76,094	76,094	--
Federal aid	58,508	58,508	--	--	--	--	772,688	772,688	--
Local participation	11,159	11,159	--	--	--	--	43,862	43,973	111
Interest earnings	647	647	--	--	--	--	32,908	32,908	--
Nonoperating revenue-bridges	--	--	--	--	--	--	2,389	2,389	--
Miscellaneous revenue	1,121	1,121	--	--	--	--	30,748	32,100	1,353
Total Revenues	79,466	79,466	--	--	--	--	2,857,685	2,859,149	1,463
EXPENDITURES AND ENCUMBRANCES									
Administration and maintenance	7,803	6,741	1,063	--	--	--	412,190	371,046	41,144
Bus operating assistance grants	--	--	--	--	--	--	161,526	159,362	2,164
Other grants	--	--	--	--	--	--	1,190,003	1,112,508	77,495
Airport development	85,982	84,569	1,413	--	--	--	85,982	84,569	1,413
Nonoperating expenditure-bridges	--	--	--	--	--	--	2,389	2,367	23
Total Administration and Operations	93,785	91,310	2,475	--	--	--	1,852,090	1,729,852	122,238
Roads and bridges	--	--	--	--	--	--	1,059,042	1,055,624	3,419
Other capital outlay	53	53	1	--	--	--	41,538	12,447	29,091
Total Capital Outlay	53	53	1	--	--	--	1,100,581	1,068,071	32,510
Total Expenditures and Encumbrances	93,838	91,362	2,476	--	--	--	2,952,671	2,797,923	154,748
Excess of Revenue Over (Under) Expenditures and Encumbrances	(14,372)	(11,896)	2,476	--	--	--	(94,986)	61,226	156,211
OTHER FINANCING SOURCES									
Michigan transportation fund distribution	--	--	--	--	--	--	784,553	784,553	--
Grants and transfers from other funds	14,351	14,351	--	--	--	--	192,616	255,516	62,900
Total Other Financing Sources	14,351	14,351	--	--	--	--	977,170	1,040,070	62,900
OTHER FINANCING USES									
Michigan Transportation Fund distribution	--	--	--	--	--	--	785,352	784,553	799
Grants and transfers to other funds	292	244	48	--	--	--	229,611	230,731	(1,120)
Debt service	--	--	--	--	--	--	68,418	68,417	2
Total Financing Uses	292	244	48	--	--	--	1,083,381	1,083,701	(320)
Excess Other Financial Sources Over (Under) Other Financial Uses	14,059	14,107	48	--	--	--	(106,211)	(43,631)	62,580
Excess of Revenue and Other Financial Sources Over (Under) Expenditures, Encumbrances and Other Financial Uses	\$ (313)	2,211	\$ 2,523	--	--	--	\$ (201,197)	17,594	\$ 218,791
RECONCILING ITEMS									
Encumbrances at September 30		1,412		--	--	--		67,862	
Funds not annually budgeted		--		(6,226)	(283)	--		(6,510)	
Net Reconciling Items		1,412		(6,226)	(283)	--		61,352	
Excess of Revenue and Other Financial Sources Over (Under) Expenditures and Other Financial Uses (GAAP Basis)		3,623		(6,226)	(283)	--		78,947	
FUND BALANCES (GAAP BASIS)									
Beginning of fiscal year		12,367		23,739	11,978	--		440,126	
End of fiscal year		\$ 15,990		\$ 17,512	\$ 11,694	\$ --		\$ 519,072	

* A column has been added to include the Transportation Related Trust Fund for FY00. In accordance with GASB 34 reporting requirements, this fund has been reclassified from an expendable trust fund to a special revenue fund.

MICHIGAN DEPARTMENT OF TRANSPORTATION
DESCRIPTIONS OF DEBT SERVICE FUNDS
FISCAL YEAR ENDED SEPTEMBER 30, 2001

COMBINED STATE TRUNKLINE BOND AND INTEREST REDEMPTION FUND

This fund was established pursuant to Public Act 51 of 1951, as amended, to account for debt service on all State Trunkline Fund related bond issues. As of October 1, 1986, the debt service funds for the outstanding bond issues were merged by equity transfer into this debt service fund. The funds merged include the 1983 State Trunkline Fund Bond and Interest Redemption Fund, the 1984 State Trunkline Fund Bond and Interest Redemption Fund, the 1986 State Trunkline Refunding Bond and Interest Redemption Fund, and the Michigan Trunkline Bond and Interest Redemption Fund, Series II through IX. All subsequent State Trunkline Fund related bond issues are accounted for in this fund.

The bonds are not general obligations of the State of Michigan but are payable solely out of funds restricted as to use for transportation purposes by Section 9 of Article IX of the Michigan 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 Public Act 51 of 1951, as amended, to account for debt service on all Comprehensive Transportation Fund related bond issues. As of October 1, 1986, the debt service funds for outstanding bond issues were merged by equity transfer into this debt service fund. The funds merged include the Comprehensive Transportation Bond and Interest Redemption Fund, and the 1986 Comprehensive Transportation Refunding Bond and Interest Redemption Fund. All subsequent Comprehensive Transportation Fund related bond issues are accounted for in this fund.

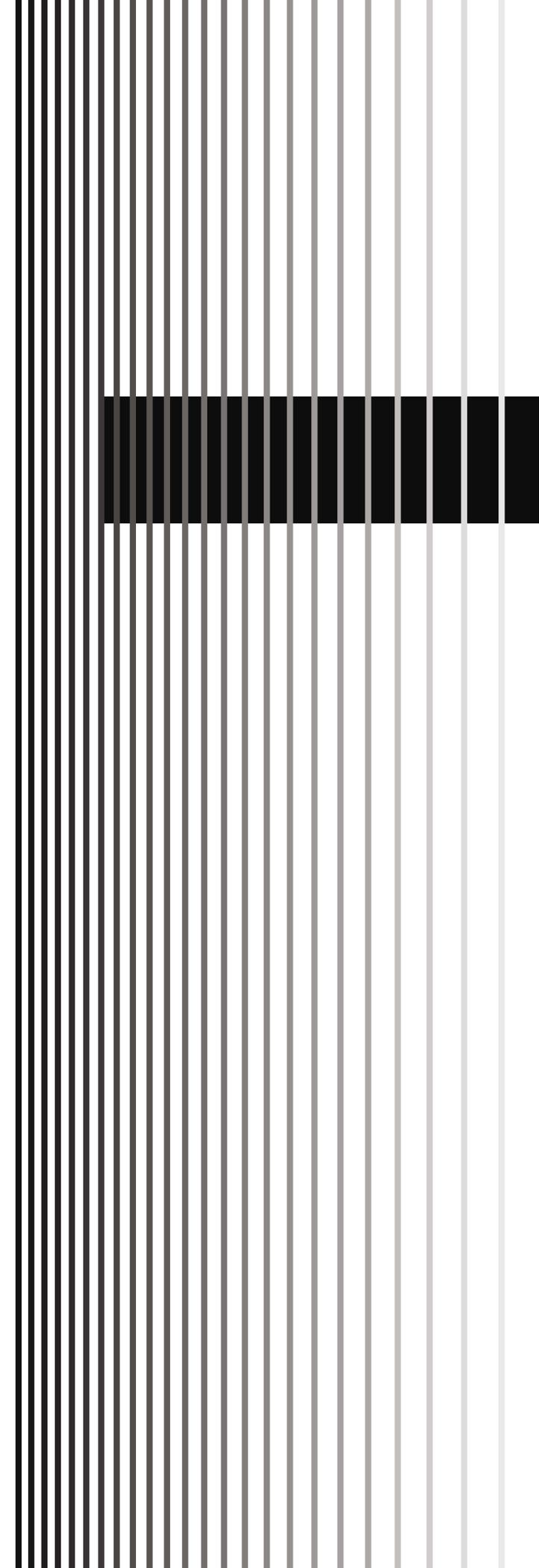
The bonds are not general obligations of the State of Michigan but are payable solely out of funds restricted as to use for comprehensive transportation purposes by Section 9 of Article IX of the Michigan Constitution and irrevocably pledged by law for deposit in the Comprehensive Transportation Fund. Debt service requirements are funded by annual appropriations in the Comprehensive Transportation Fund.



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**Comprehensive
Annual Financial Report**

Fiscal Year's Ending September 30, 2001 & 2000

**Statistical
Section**



FINANCIAL SCHEDULES

MICHIGAN DEPARTMENT OF TRANSPORTATION
SCHEDULE OF REVENUES AND EXPENDITURES
SPECIAL REVENUE FUNDS
LAST TEN YEARS
 SEPTEMBER 30, 2001
 (In Thousands)

	1991-92	1992-93	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99*	1999-2000**	2000-2001
REVENUES AND OTHER SOURCES:										
Michigan Transportation Fund	\$ 1,196,353	\$ 1,264,114	\$ 1,299,440	\$ 1,361,993	\$ 1,402,386	\$ 1,531,558	\$ 1,760,457	\$ 1,844,829	\$ 1,892,570	\$ 1,913,540
State Trunkline Fund										
Economic Development	77,993	85,954	125,479	132,328	111,438	100,715	100,287	114,030	109,260	113,111
Traditional Program	744,417	646,192	585,596	664,417	704,757	924,447	1,155,026	1,251,440	1,537,389	1,439,365
Blue Water Bridge Fund	--	--	--	529	1,386	536	10,580	11,454	16,535	12,493
Comprehensive Transportation Fund	153,329	172,662	189,127	215,001	219,502	228,497	226,155	243,990	249,647	270,656
Aeronautics Fund	121,746	76,201	68,639	76,468	94,190	91,272	70,615	74,229	93,818	133,811
Transportation Related Trust Fund	--	--	--	--	--	--	--	--	224,680	244,625
1984 Comprehensive Transportation Bond Proceeds Fund	28	20	10	--	--	--	--	--	--	--
1984 State Trunkline Bond Proceeds Fund	24	17	--	--	--	--	--	--	--	--
1989 State Trunkline Bond Proceeds Fund	4,579	1,015	471	--	2,381	324	253	5,508	3,514	112
1992 State Trunkline Bond Proceeds Fund	217,169	179,099	243,403	159,098	64,312	35,622	18,373	12,288	15,312	11,914
1992 State Trunkline Critical Bridge Bond Proceeds Fund	30,179	1,013	710	433	132	111	104	76	85	13
1992 Comprehensive Transportation Bond Proceeds Fund	35,415	1,098	1,017	1,446	--	1,064	900	1,985	730	609
1994 State Trunkline Bond Proceeds Fund	--	--	153,363	88,044	149,869	103,710	40,051	10,615	6,984	3,110
1996 State Trunkline Bond Proceeds Fund	--	--	--	--	--	56,391	2,079	(119)	9	3
2001 Build Michigan III Bond Proceeds	--	--	--	--	--	--	--	--	--	330,576
2001 Build Michigan II Grant Anticipation Note Proceeds	--	--	--	--	--	--	--	--	--	410,848
TOTAL REVENUES AND OTHER SOURCES	\$ 2,581,232	\$ 2,427,385	\$ 2,667,255	\$ 2,699,757	\$ 2,750,353	\$ 3,074,247	\$ 3,384,879	\$ 3,570,324	\$ 4,150,531	\$ 4,884,786
EXPENDITURES AND OTHER USES:										
Michigan Transportation Fund	\$ 1,196,353	\$ 1,264,114	\$ 1,299,440	\$ 1,361,993	\$ 1,402,385	\$ 1,531,558	\$ 1,760,457	\$ 1,844,829	\$ 1,892,570	\$ 1,913,540
State Trunkline Fund										
Economic Development	68,920	73,125	109,076	127,426	145,609	124,129	109,345	115,337	87,927	108,988
Traditional Program	727,136	641,575	592,755	639,036	641,136	879,185	1,089,716	1,363,640	1,493,359	1,385,715
Blue Water Bridge Fund	--	--	--	7,998	30,001	--	5,271	5,220	7,728	12,482
Comprehensive Transportation Fund	173,459	172,685	170,091	179,070	199,578	223,501	267,159	237,021	241,984	281,121
Aeronautics Fund	122,463	80,348	62,843	79,254	92,574	83,243	71,914	99,057 *	90,195	131,899
Transportation Related Trust Fund	--	--	--	--	--	--	--	--	224,680	244,625
1984 Comprehensive Transportation Bond Proceeds Fund	46	--	639	--	--	--	--	--	--	--
1984 State Trunkline Bond Proceeds Fund	248	--	--	--	--	--	--	--	--	--
1989 State Trunkline Bond Proceeds Fund	41,432	24,176	17,137	1,796	4,405	1,066	1,519	3,126	1,582	132
1992 State Trunkline Bond Proceeds Fund	24,330	232,520	284,386	217,576	73,640	43,521	23,027	16,050	18,886	12,667
1992 State Trunkline Critical Bridge Bond Proceeds Fund	32	3,077	12,751	10,539	4,094	157	580	242	1,123	1
1992 Comprehensive Transportation Bond Proceeds Fund	252	7,486	4,787	3,743	--	6,569	3,545	2,395	1,013	5,176
1994 State Trunkline Bond Proceeds Fund	--	--	14,861	140,602	198,243	119,378	52,368	14,228	8,281	3,688
1996 State Trunkline Bond Proceeds Fund	--	--	--	--	--	12,695	19,862	23,776	2,257	(74)
2001 Build Michigan III Bond Proceeds	--	--	--	--	--	--	--	--	--	75,734
2001 Build Michigan II Grant Anticipation Note Proceeds	--	--	--	--	--	--	--	--	--	164,805
TOTAL EXPENDITURES AND OTHER USES	\$ 2,354,671	\$ 2,499,106	\$ 2,568,766	\$ 2,769,033	\$ 2,791,664	\$ 3,025,002	\$ 3,404,762	\$ 3,724,921	\$ 4,071,584	\$ 4,340,498

* The FY 1999 column has been restated to include amounts expended in the State General Fund, which pertain to Aeronautics projects. Beginning with FY 2000, the appropriations were transferred from the General Fund and expended in the State Aeronautics Fund.

** The FY 2000 column has been restated to comply with GASB 34.

MICHIGAN DEPARTMENT OF TRANSPORTATION
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
ECONOMIC DEVELOPMENT FUND
 FISCAL YEARS ENDED SEPTEMBER 30, 2001 and 2000
 (In Thousands)

	2001	2000
REVENUES AND OTHER SOURCES		
Licenses and permits	\$ 13,486	\$ 14,024
Federal aid	33,037	31,943
Local participation	21,013	16,087
Interest earnings	5,301	6,197
Michigan Transportation Fund distribution	40,275	40,275
Miscellaneous	--	733
	113,111	109,260
EXPENDITURES AND OTHER USES		
Administration	500	305
Forest roads	5,034	5,017
Target industries-state takeovers	19,202	18,169
Rural county urban system	3,440	4,115
Urban county congestion	29,861	11,411
Rural county primary	44,345	42,301
Debt service	6,607	6,608
	108,988	87,927
Excess of Revenue and Other Sources Over (Under) Expenditures and Other Uses	4,123	21,333
Fund Balances-Beginning of fiscal year	83,684	62,351
Fund Balances-End of fiscal year	\$ 87,807	\$ 83,684

The Economic Development Fund was created as a subfund of the State Trunkline Fund during fiscal year 1987-88. The amounts shown above have been reported as part of the State Trunkline Fund in previous schedules of this report. This supplementary schedule was prepared to provide additional information pertaining specifically to the Economic Development Fund.

MICHIGAN DEPARTMENT OF TRANSPORTATION
SCHEDULE OF DEBT SERVICE REQUIREMENTS ON THE OUTSTANDING BONDS
STATE TRUNKLINE FUND AND COMPREHENSIVE TRANSPORTATION FUND
 SEPTEMBER 30, 2001
 (In Thousands)

FISCAL YEARS ENDING SEPTEMBER 30	STATE TRUNKLINE FUND			COMPREHENSIVE TRANSPORTATION FUND			COMBINED TOTAL		
	PRINCIPLE	INTEREST	TOTAL	PRINCIPLE	INTEREST	TOTAL	PRINCIPLE	INTEREST	TOTAL
2002	\$ 19,690	\$ 39,672	\$ 59,362	\$ 11,130	\$ 10,221	\$ 21,351	\$ 30,820	\$ 49,892	\$ 80,712
2003	26,220	42,289	68,509	11,545	9,946	21,491	37,765	52,236	90,001
2004	23,765	41,055	64,820	12,330	9,293	21,623	36,095	50,348	86,443
2005	24,791	39,866	64,658	13,945	8,560	22,505	38,736	48,427	87,163
2006	19,694	38,915	58,608	15,265	7,691	22,956	34,959	46,606	81,564
2007	19,904	38,262	58,166	16,135	6,825	22,960	36,039	45,087	81,126
2008	20,188	37,563	57,751	17,130	5,875	23,005	37,318	43,439	80,757
2009	20,520	36,831	57,351	18,070	4,940	23,010	38,590	41,771	80,361
2010	23,601	35,977	59,578	19,185	3,821	23,006	42,786	39,798	82,584
2011	24,318	34,942	59,260	20,215	2,789	23,004	44,533	37,730	82,264
2012	25,157	33,841	58,998	6,675	1,994	8,669	31,832	35,835	67,667
2013	26,056	32,680	58,736	6,995	1,641	8,636	33,051	34,321	67,372
2014	37,470	31,083	68,553	7,355	1,267	8,622	44,825	32,351	77,176
2015	39,530	29,027	68,557	1,795	874	2,669	41,325	29,901	71,226
2016	41,695	26,858	68,553	1,895	773	2,668	43,590	27,631	71,221
2017	44,015	24,534	68,549	2,005	666	2,671	46,020	25,200	71,220
2018	46,505	22,045	68,550	2,115	552	2,667	48,620	22,597	71,217
2019	49,135	19,415	68,550	2,230	433	2,663	51,365	19,848	71,213
2020	51,790	16,763	68,553	2,355	313	2,668	54,145	17,075	71,220
2021	54,450	14,111	68,561	2,475	192	2,667	56,925	14,303	71,228
2022	57,260	11,296	68,556	2,600	65	2,665	59,860	11,361	71,221
2023	25,335	9,197	34,532	0	0	0	25,335	9,197	34,532
2024	26,645	7,897	34,542	0	0	0	26,645	7,897	34,542
2025	28,010	6,531	34,541	0	0	0	28,010	6,531	34,541
2026	18,785	5,361	24,146	0	0	0	18,785	5,361	24,146
2027	19,770	4,377	24,147	0	0	0	19,770	4,377	24,147
2028	16,970	3,417	20,387	0	0	0	16,970	3,417	20,387
2029	17,885	2,502	20,387	0	0	0	17,885	2,502	20,387
2030	18,850	1,538	20,388	0	0	0	18,850	1,538	20,388
2031	19,870	522	20,392	0	0	0	19,870	522	20,392
TOTAL	\$ 887,874	\$ 688,366	\$1,576,241	\$ 193,445	\$ 78,731	\$ 272,176	\$ 1,081,319	\$ 767,097	\$1,848,417

MICHIGAN DEPARTMENT OF TRANSPORTATION
CONSTRUCTION AND CAPITAL PROPERTY ACQUISITIONS
BY FUNCTIONAL ACTIVITY
 FISCAL YEAR ENDED SEPTEMBER 30, 2001
 (In Thousands)

	<u>Totals</u>	<u>Preliminary Engineering</u>	<u>Right-of-Way</u>	<u>Utility Relocation</u>	<u>Physical Construction</u>	<u>Construction Supervision</u>	<u>Special Projects</u>	<u>Other Activities</u>
STATE TRUNKLINE FUND								
Roads and bridges	\$ 928,868	\$ 90,373	\$ 35,328	\$ 2,831	\$ 726,703	\$ 52,926	\$ 4	\$ 20,703
Economic development fund	101,881	1,273	748	--	93,501	2,305	--	4,054
Work orders - state facilities	<u>13,171</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>5</u>	<u>--</u>	<u>13,166</u>
Subtotal	<u>1,043,921</u>	<u>91,646</u>	<u>36,076</u>	<u>2,831</u>	<u>820,204</u>	<u>55,236</u>	<u>4</u>	<u>37,923</u>
BLUE WATER BRIDGE FUND								
	<u>6,348</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>6,348</u>
Subtotal	<u>6,348</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>6,348</u>
STATE AERONAUTICS AND GENERAL FUNDS								
Airport development	141,140	7,727	14,017	--	70,256	4,676	--	44,465
Work orders and other	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
Subtotal	<u>141,140</u>	<u>7,727</u>	<u>14,017</u>	<u>--</u>	<u>70,256</u>	<u>4,676</u>	<u>--</u>	<u>44,465</u>
COMPREHENSIVE TRANSPORTATION FUND								
Rail freight	5,486	--	--	--	--	--	--	5,486
Bus transit	46,161	--	--	--	--	--	--	46,161
Intercity bus, rail, water	<u>11,819</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>11,819</u>
Subtotal	<u>63,466</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>63,466</u>
BOND FUNDS								
1989 State Trunkline	132	79	69	--	--	--	--	(16)
1992 State Trunkline	12,667	9,005	3,371	--	356	144	--	(208)
1992 Comprehensive Transportation	4,611	--	--	--	--	--	--	4,611
1994 State Trunkline	3,688	2	3,113	--	460	167	--	(55)
1996 State Trunkline	(74)	--	--	--	(2,283)	(695)	--	2,903
2001 State Trunkline BM3	75,734	2,087	33,766	--	33,835	2,178	--	3,867
2001 State Trunkline BM2	<u>164,805</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>158,340</u>	<u>8,620</u>	<u>--</u>	<u>(2,155)</u>
Subtotal	<u>261,563</u>	<u>11,173</u>	<u>40,320</u>	<u>--</u>	<u>190,708</u>	<u>10,414</u>	<u>--</u>	<u>8,948</u>
Total Capital Acquisitions	<u>\$ 1,516,438</u>	<u>\$ 110,546</u>	<u>\$ 90,412</u>	<u>\$ 2,831</u>	<u>\$ 1,081,168</u>	<u>\$ 70,326</u>	<u>\$ 4</u>	<u>\$ 161,150</u>

MICHIGAN DEPARTMENT OF TRANSPORTATION
CONSTRUCTION AND CAPITAL PROPERTY ACQUISITIONS
BY FUNCTIONAL ACTIVITY
 FISCAL YEAR ENDED SEPTEMBER 30, 2000
 (In Thousands)

	<u>Totals</u>	<u>Preliminary Engineering</u>	<u>Right-of-Way</u>	<u>Utility Relocation</u>	<u>Physical Construction</u>	<u>Construction Supervision</u>	<u>Special Projects</u>	<u>Other Activities</u>
STATE TRUNKLINE FUND								
Roads and bridges	\$ 1,074,096	\$ 91,522	\$ 86,878	\$ 4,950	\$ 815,606	\$ 59,582	\$ 14	\$ 15,544
Economic development fund	81,013	612	425	--	74,356	1,617	--	4,003
Work orders - state facilities	<u>8,173</u>	<u>--</u>	<u>2</u>	<u>--</u>	<u>--</u>	<u>15</u>	<u>--</u>	<u>8,155</u>
Subtotal	<u>1,163,282</u>	<u>92,134</u>	<u>87,305</u>	<u>4,950</u>	<u>889,962</u>	<u>61,214</u>	<u>14</u>	<u>27,702</u>
BLUE WATER BRIDGE FUND								
	<u>2,277</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>2,277</u>
Subtotal	<u>2,277</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>2,277</u>
STATE AERONAUTICS AND GENERAL FUNDS								
Airport development	82,321	2,038	15,741	--	62,303	4,143	--	(1,904)
Work orders and other	<u>53</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>53</u>
Subtotal	<u>82,374</u>	<u>2,038</u>	<u>15,741</u>	<u>--</u>	<u>62,303</u>	<u>4,143</u>	<u>--</u>	<u>(1,851)</u>
COMPREHENSIVE TRANSPORTATION FUND								
Rail freight	6,404	--	--	--	--	--	--	6,404
Bus transit	23,477	--	--	--	--	--	--	23,477
Intercity bus, rail, water	<u>6,496</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>6,496</u>
Subtotal	<u>36,376</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>36,376</u>
BOND FUNDS								
1989 State Trunkline	1,582	225	528	--	528	--	--	301
1992 State Trunkline	18,886	11,027	5,070	4	1,703	391	--	691
1992 Comprehensive Transportation	1,055	--	--	--	--	--	--	1,055
1994 State Trunkline	8,281	212	7,156	4	842	296	--	(229)
1996 State Trunkline	<u>2,257</u>	<u>11</u>	<u>--</u>	<u>--</u>	<u>2,425</u>	<u>658</u>	<u>--</u>	<u>(838)</u>
Subtotal	<u>32,061</u>	<u>11,476</u>	<u>12,754</u>	<u>7</u>	<u>5,498</u>	<u>1,346</u>	<u>--</u>	<u>980</u>
Total Capital Acquisitions	<u>\$ 1,316,370</u>	<u>\$ 105,649</u>	<u>\$ 115,800</u>	<u>\$ 4,957</u>	<u>\$ 957,762</u>	<u>\$ 66,703</u>	<u>\$ 14</u>	<u>\$ 65,484</u>

MICHIGAN DEPARTMENT OF TRANSPORTATION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FISCAL YEARS ENDED SEPTEMBER 30, 2001 AND 2000
(In Thousands)

GRANTOR AGENCY/ FEDERAL ASSISTANCE PROGRAM TITLE	CATALOG OF FEDERAL DOMESTIC ASSISTANCE PROGRAM NUMBER	AMOUNT OF AWARD		AMOUNTS TRANSFERRED TO OTHER STATE AGENCIES		EXPENDITURE OF FEDERAL FUNDS DIRECTLY EXPENDED BY DEPARTMENT		DISTRIBUTED TO NON-STATE SUBRECIPIENTS		TOTAL	
		2001	2000	2001	2000	2001	2000	2001	2000	2001	2000
Federal Highway Administration:											
Highway Research Planning and Construction (A)	20.205	\$ N/A	\$ N/A	\$ --	\$ --	\$ 805,352	\$ 827,312	\$ 62,917	\$ 54,308	\$ 868,270	\$ 881,620
Inter-City Motor Carrier Bus Safety Inspection Program (B)	20.218	148	135	--	--	92	84	--	--	92	84
Total Federal Highway Administration:				\$ --	\$ --	\$ 805,444	\$ 827,396	\$ 62,917	\$ 54,308	\$ 868,362	\$ 881,704
Federal Aviation Administration:											
Airport Improvement Program (C)	20.106	N/A	N/A	\$ --	\$ --	\$ 86,597	\$ 56,298	\$ 50	\$ 383	\$ 86,646	\$ 56,681
Total Federal Aviation Administration:				\$ --	\$ --	\$ 86,597	\$ 56,298	\$ 50	\$ 383	\$ 86,646	\$ 56,681
Federal Railroad Administration:											
Rail Capital and Operating Assistance	20.308	--	--	\$ --	\$ --	\$ 2,782	\$ 283	\$ --	\$ --	\$ 2,782	\$ 283
Total Federal Railroad Administration:				\$ --	\$ --	\$ 2,782	\$ 283	\$ --	\$ --	\$ 2,782	\$ 283
Federal Transit Administration:											
Section 5309 - Capital Investment Program	20.500	--	23,312	\$ --	\$ --	\$ 2,770	\$ 604	\$ 12,011	\$ 6,536	\$ 14,781	\$ 7,140
Section 5311 - Public Transportation for Non-Urbanized Areas/Operating	20.509	5,771	5,301	--	--	45	1,958	6,480	4,302	6,525	6,260
Section 5311 - Public Transportation for Non-Urbanized Areas/Capital	20.509	--	--	--	--	220	24	3,114	1,735	3,334	1,759
Section 5303 - Metropolitan Planning Program	20.505	1,248	3,455	--	--	1,939	1,250	31	3	1,969	1,253
Section 5307 - Urbanized Area Formula Program	20.507	--	1,403	--	--	--	--	184	220	184	220
Section 5310 - Elderly and Persons with Disabilities Program	20.513	20	2,689	--	--	193	82	3,249	1,774	3,442	1,856
Section 5313(b) - State Planning and Research Program	20.515	570	476	--	--	71	144	213	95	284	239
Section 3037-Job Access and Reverse Commute Program	20.516	801	851	--	--	135	--	445	162	579	162
Total Federal Transit Administration:				\$ --	\$ --	\$ 5,374	\$ 4,062	\$ 25,725	\$ 14,827	\$ 31,099	\$ 18,889
DEPARTMENT TOTAL:				\$ --	\$ --	\$ 900,197	\$ 888,039	\$ 88,692	\$ 69,518	\$ 988,889	\$ 957,557

MICHIGAN DEPARTMENT OF TRANSPORTATION
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FISCAL YEARS ENDED SEPTEMBER 30, 2001 AND 2000

- (A) The amount of the award for the Federal Highway Administration (FHWA) highway research planning and construction program is not stated because federal financial assistance is allocated to the Department in annual apportionments, rather than grants. Any unused apportionment is carried forward into the next fiscal year. Projects programmed are not linked to a specific apportionment or obligational authority.

- (B) The amount of the award for the FHWA Inter-city motor carrier bus safety inspection program has been corrected for fiscal year 2000, in order to reflect the actual amount awarded.

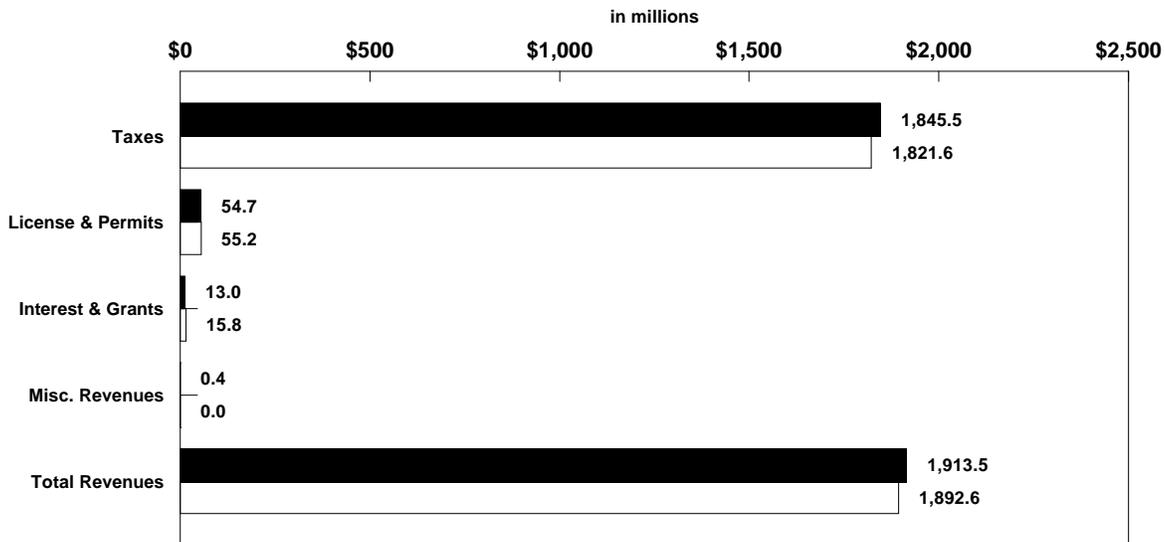
- (C) The amount of the award for the Federal Aviation Administration (FAA) airport improvement program is not stated because federal financial assistance is awarded to locally owned airports, and the amount of grants is not available.



GRAPHIC PRESENTATIONS

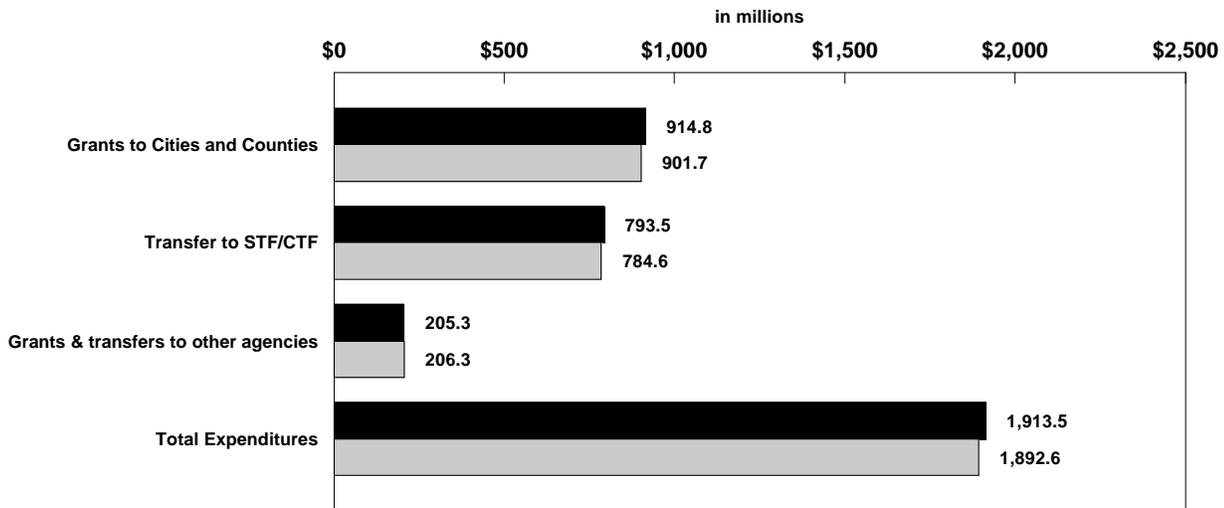
MICHIGAN DEPARTMENT OF TRANSPORTATION
MICHIGAN TRANSPORTATION FUND GRAPHICS
 FISCAL YEARS ENDED SEPTEMBER 30, 2001 AND 2000

REVENUES AND OTHER SOURCES



■ 2001 □ 2000

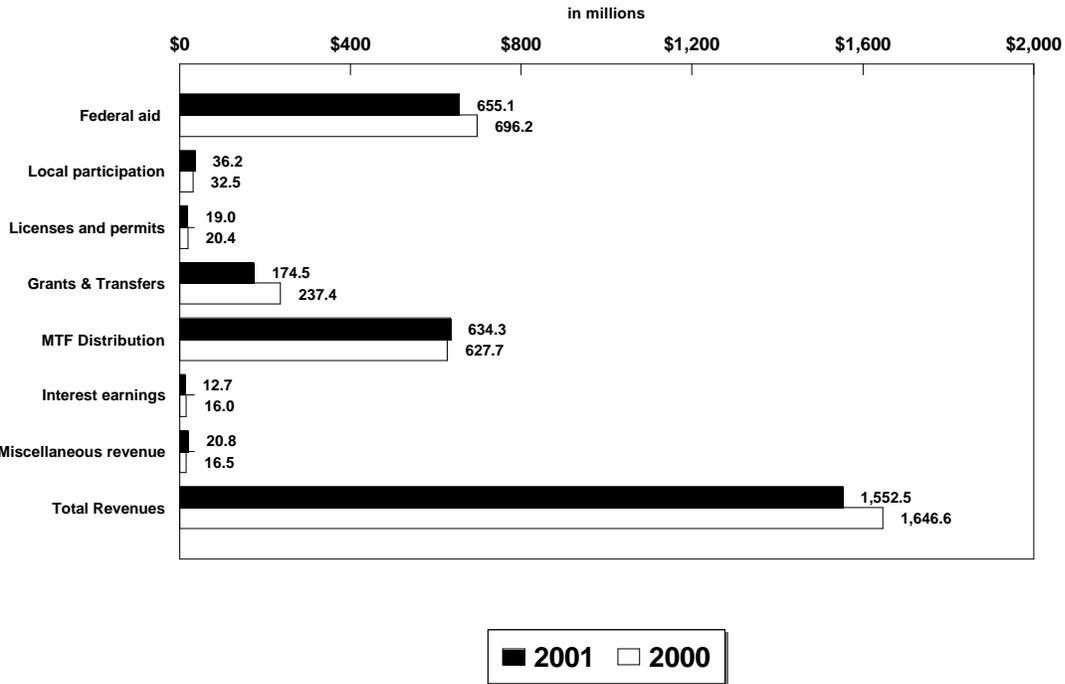
EXPENDITURES AND OTHER USES



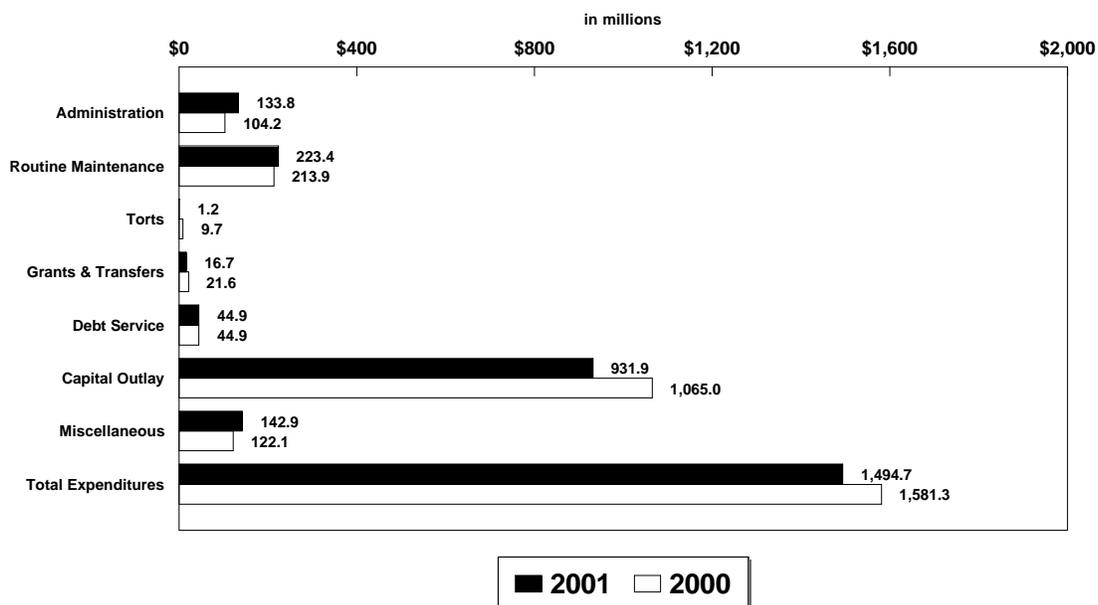
■ 2001 ■ 2000

MICHIGAN DEPARTMENT OF TRANSPORTATION
STATE TRUNKLINE FUND GRAPHICS
 Includes Economic Development Fund
 FISCAL YEARS ENDED SEPTEMBER 30, 2001 AND 2000

REVENUES AND OTHER SOURCES



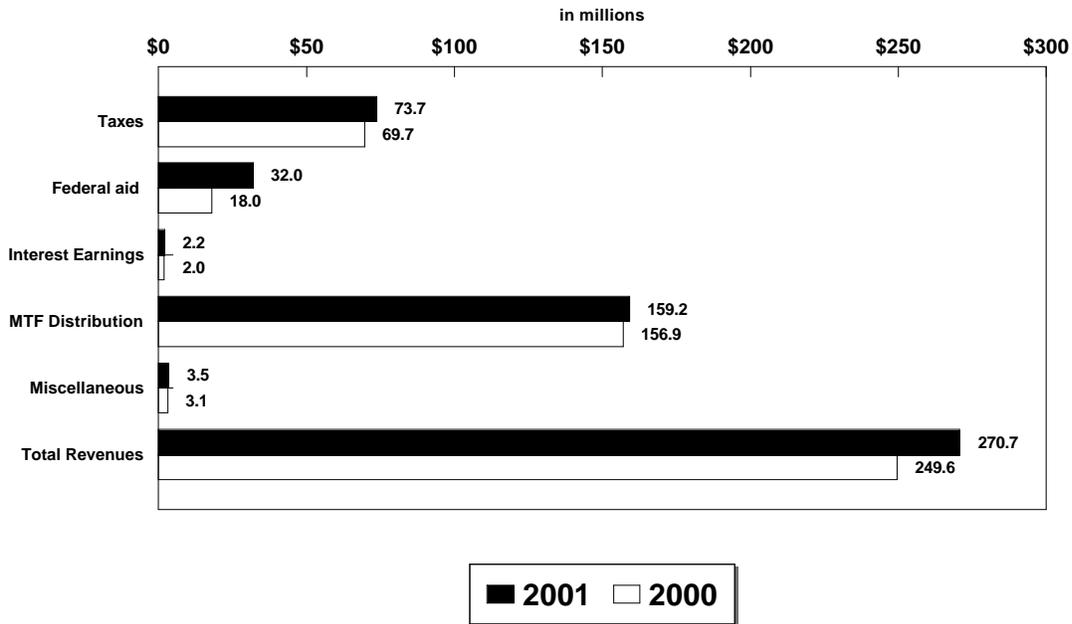
EXPENDITURES AND OTHER USES



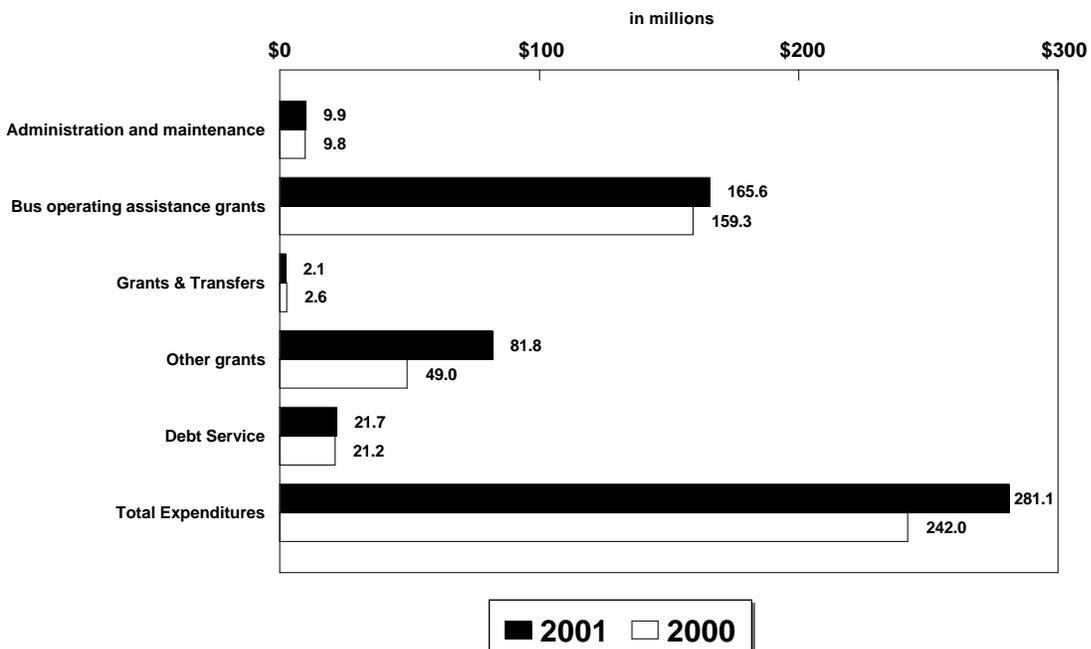
MICHIGAN DEPARTMENT OF TRANSPORTATION COMPREHENSIVE TRANSPORTATION FUND GRAPHICS

FISCAL YEARS ENDED SEPTEMBER 30, 2001 AND 2000

REVENUES AND OTHER SOURCES

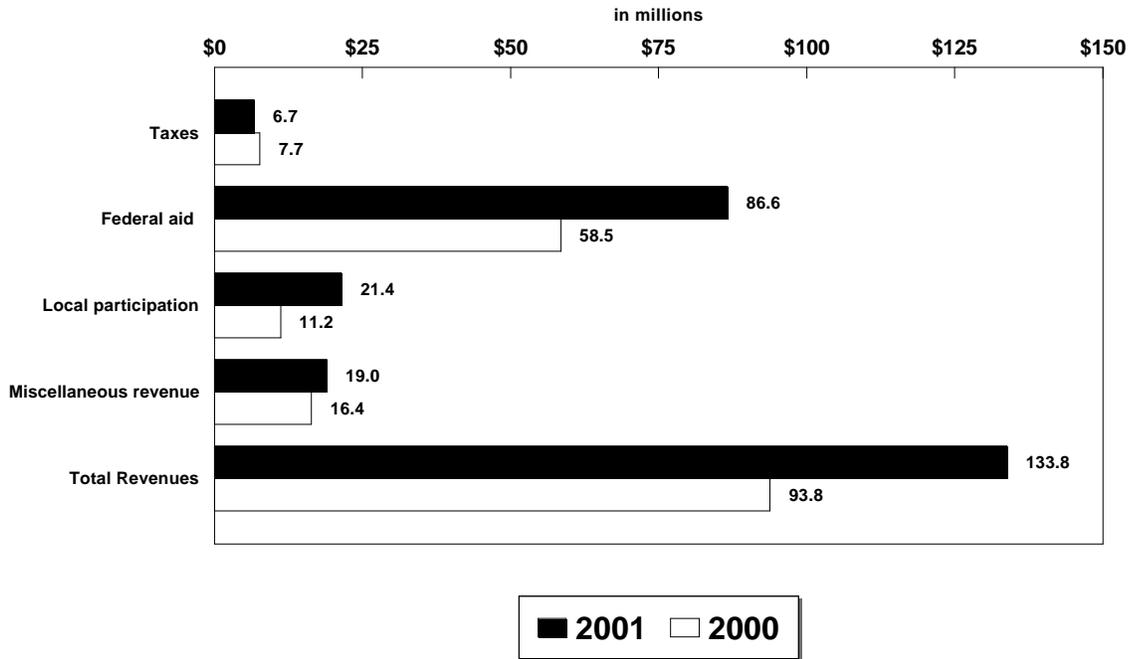


EXPENDITURES AND OTHER USES

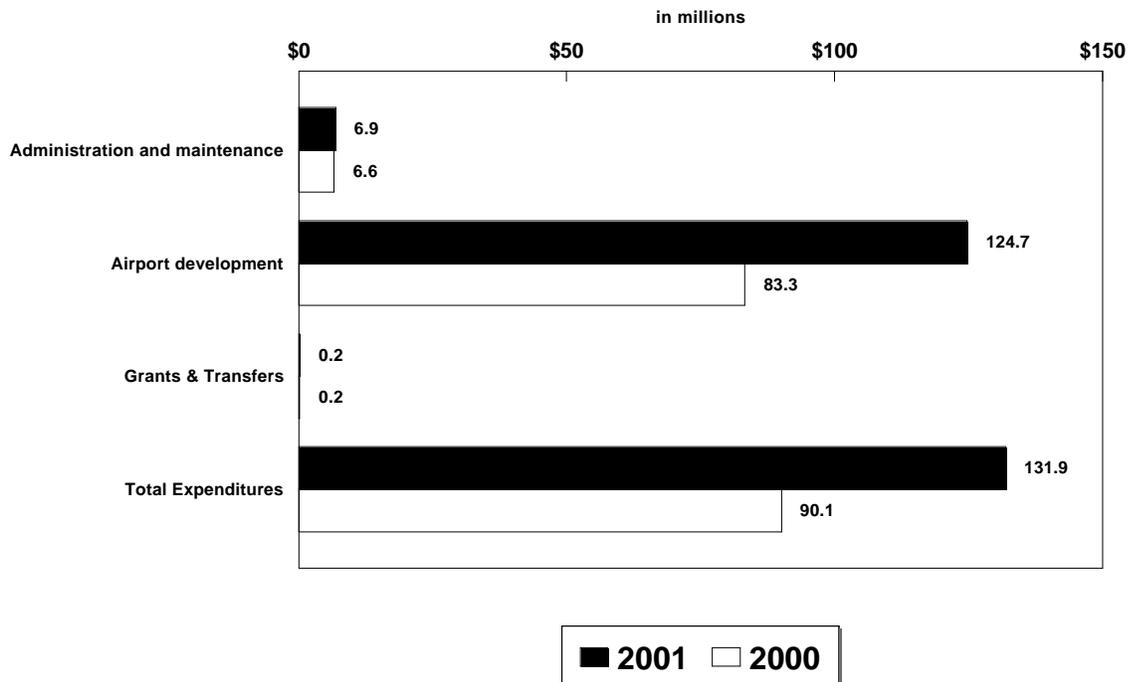


MICHIGAN DEPARTMENT OF TRANSPORTATION
STATE AERONAUTICS FUND GRAPHICS
 FISCAL YEARS ENDED SEPTEMBER 30, 2001 AND 2000

REVENUES AND OTHER SOURCES



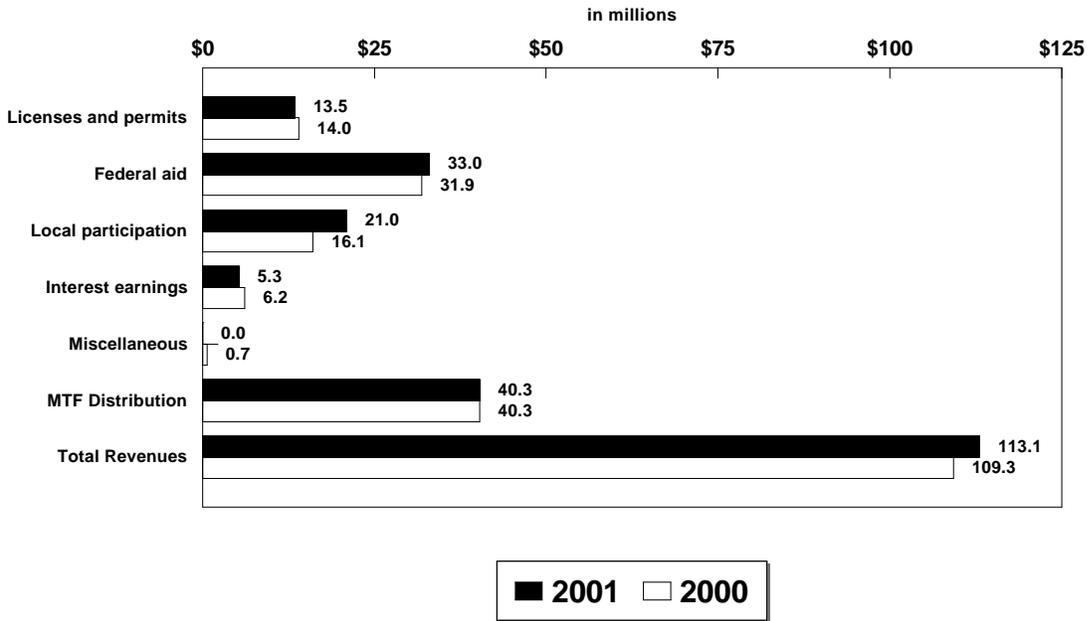
EXPENDITURES AND OTHER USES



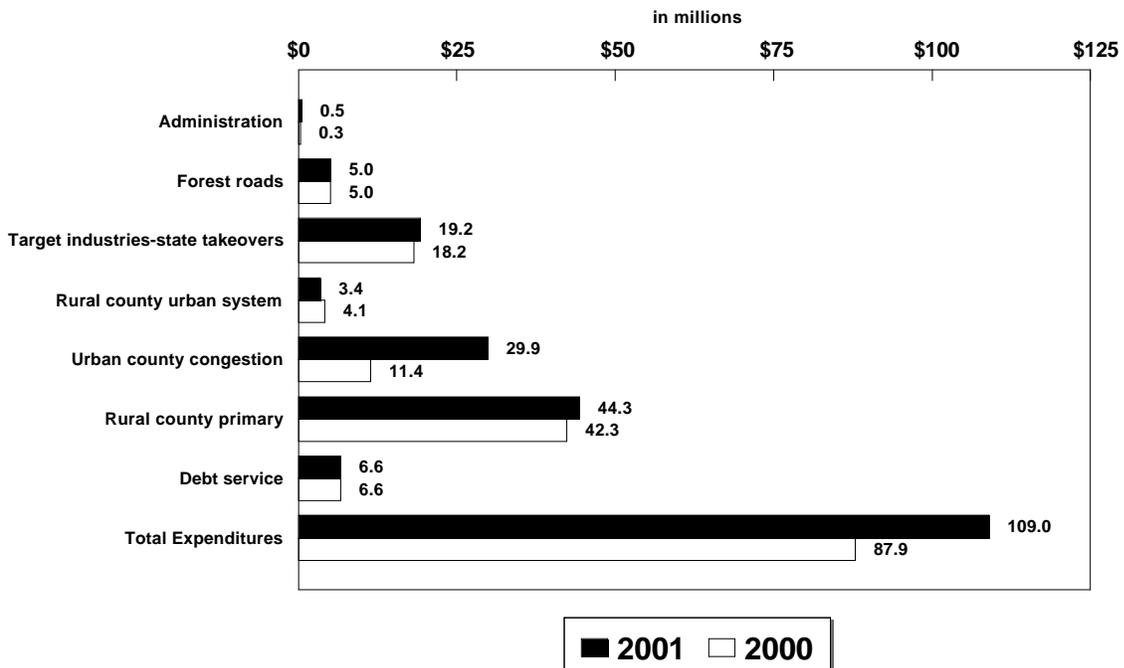
MICHIGAN DEPARTMENT OF TRANSPORTATION ECONOMIC DEVELOPMENT FUND GRAPHICS

FISCAL YEARS ENDED SEPTEMBER 30, 2001 AND 2000

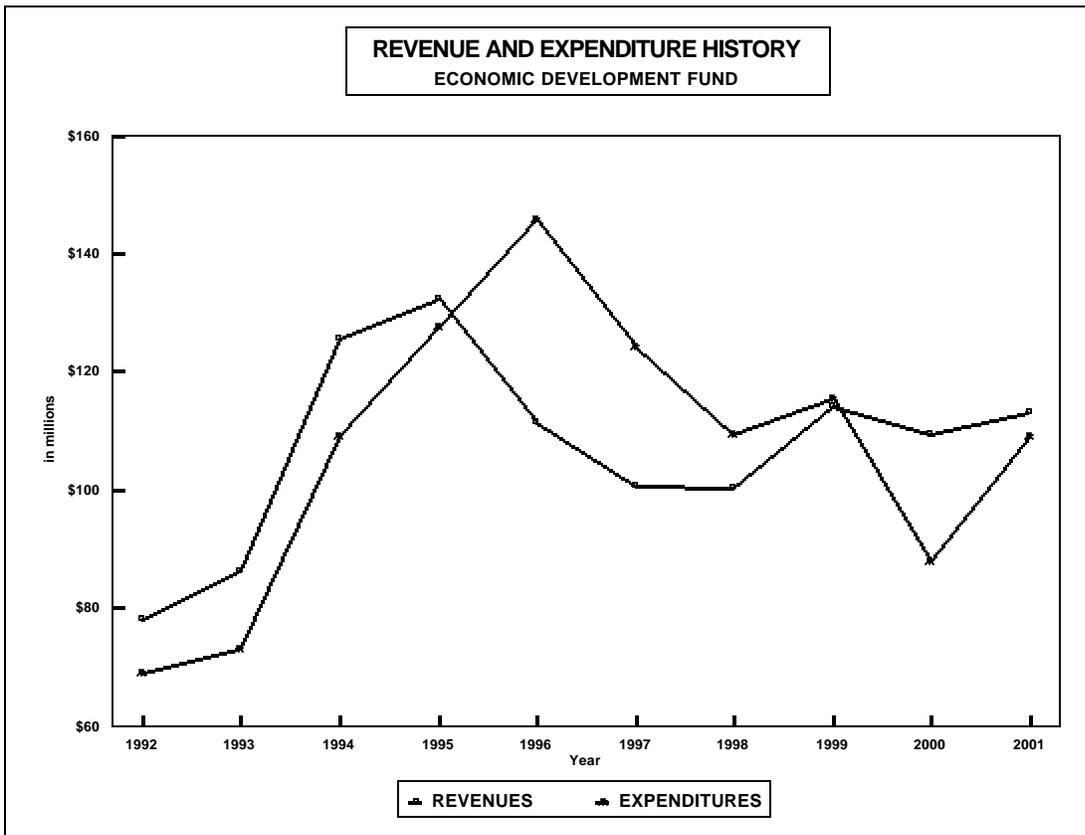
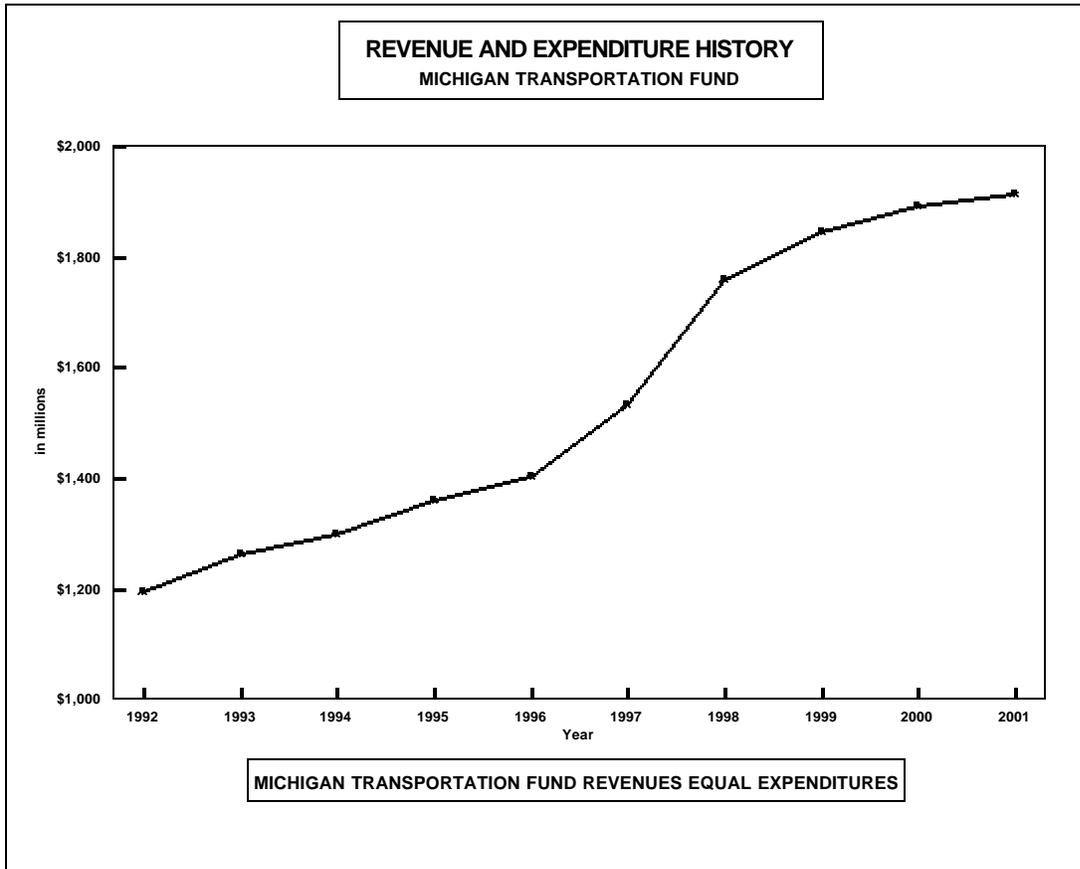
REVENUES AND OTHER SOURCES



EXPENDITURES AND OTHER USES

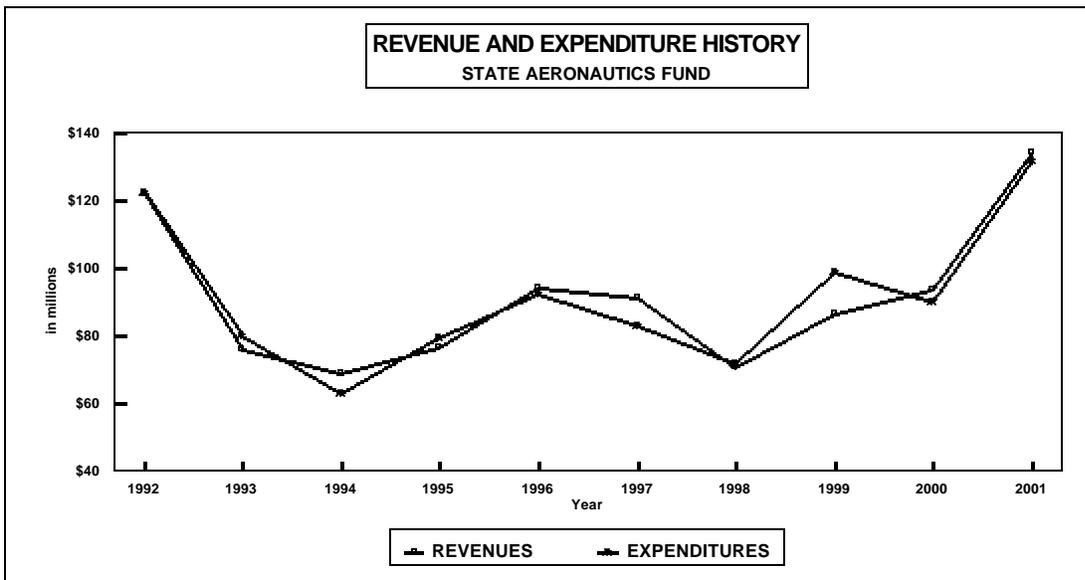
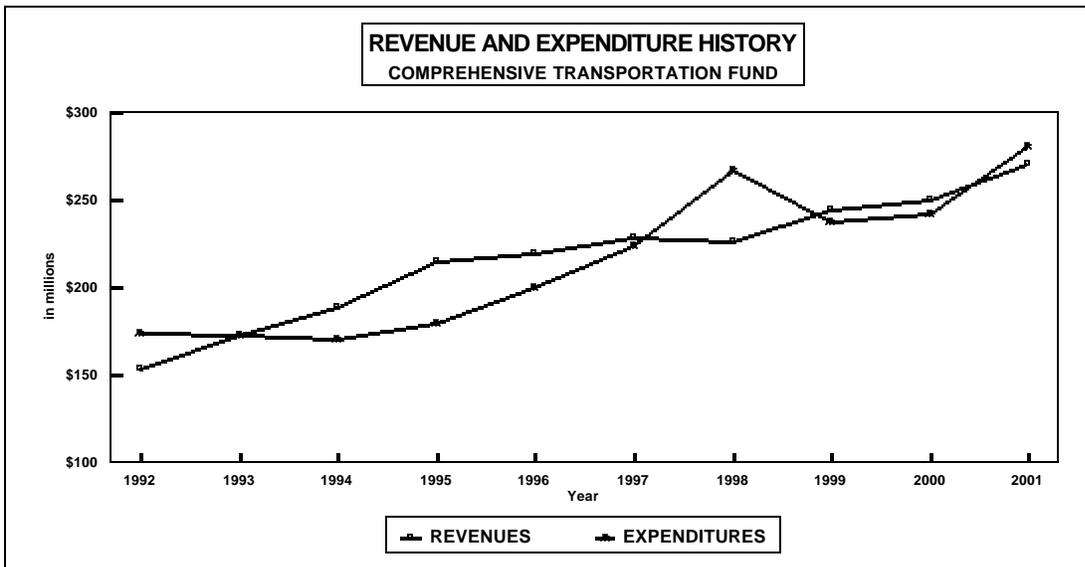
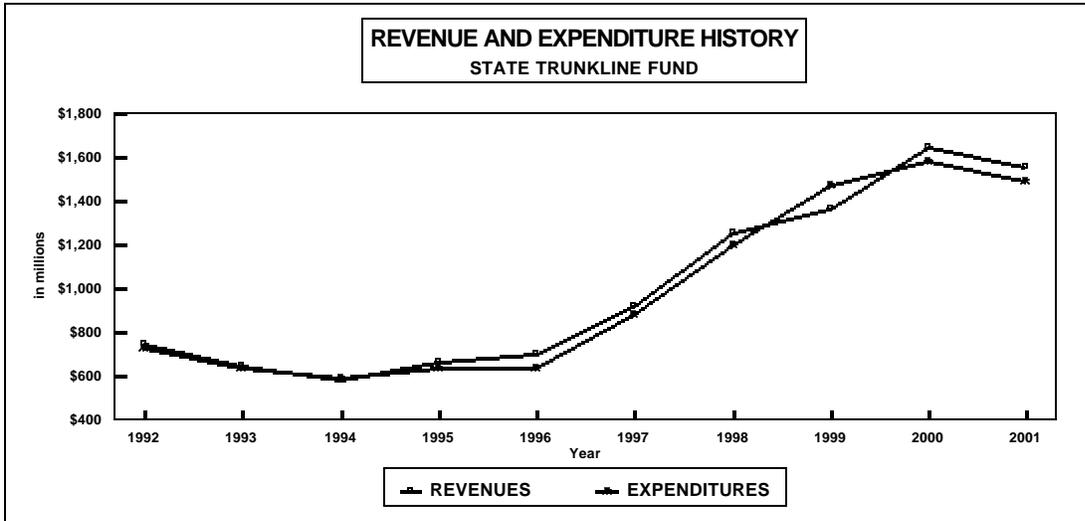


MICHIGAN DEPARTMENT OF TRANSPORTATION
TEN YEAR REVENUE AND EXPENDITURE HISTORY
 FISCAL YEARS ENDED SEPTEMBER 30, 2001 AND 2000



MICHIGAN DEPARTMENT OF TRANSPORTATION TEN YEAR REVENUE AND EXPENDITURE HISTORY

FISCAL YEARS ENDED SEPTEMBER 30, 2001 AND 2000



**MICHIGAN DEPARTMENT OF TRANSPORTATION
TOTAL TRANSPORTATION
CONSTRUCTION AND CAPITAL PROPERTY ACQUISITIONS
BY FUNCTIONAL ACTIVITY**

FISCAL YEARS ENDED SEPTEMBER 30, 2001 AND 2000

