

2020

ANNUAL FINANCIAL REPORT

Michigan Department of Transportation



Fiscal Year Ended September 30, 2020

MICHIGAN DEPARTMENT OF TRANSPORTATION

ANNUAL FINANCIAL REPORT

Fiscal Years Ended September 30, 2020 & 2019

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Mission: Providing the highest quality integrated transportation
services for economic benefit and improved quality of life.

**MICHIGAN DEPARTMENT OF TRANSPORTATION
ANNUAL FINANCIAL REPORT
FISCAL YEAR ENDED SEPTEMBER 30, 2020**

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



GRETCHEN WHITMER
GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF TRANSPORTATION
LANSING

PAUL C. AJEGBA
DIRECTOR

April 27, 2021

State Transportation Commission
Attn: Chairman Wyett
P. O. Box 30050
Lansing, Michigan 48909

Paul C. Ajegba, P.E.
Michigan Department of Transportation
425 W. Ottawa
Lansing, Michigan 48913

Dear State Transportation Commission and Director Ajegba:

We are pleased to present the Annual Financial Report for the Michigan Department of Transportation (MDOT) for the fiscal years (FY) ending September 30, 2019 and 2020. This report was prepared by the Bureau of Finance & 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 MDOT's operations.

This report is following the State of Michigan Financial Management Guide, which requires state agencies issuing financial reports to be consistent with the State of Michigan Comprehensive Annual Financial Report.

FINANCIAL UPDATE

While overall revenues increased slightly due to the continued phase in of the state transportation revenue package signed into law November 10, 2015, MDOT did see significant declines in our motor fuel tax revenues due to travel restrictions put in place in response to COVID-19. Since the state transportation revenue package began, the overall increase in the Michigan Transportation Fund (MTF) through fiscal year end September 30, 2020 is \$1,097.5 million. When fully implemented, it is anticipated that revenue will continue to increase to an annual amount of \$1,200 million total in 2021.

On January 30, 2020, the State Transportation Commission authorized the issuance and sale of up to \$3.5 billion in State of Michigan State Trunk Line Fund bonds. This funding will rebuild major freeways and bridges in the State's most heavily trafficked corridors. As of the end of FY 2020, MDOT has issued the first \$800 million in bonds for the Governor's Rebuilding Michigan Program.

The following table summarizes the changes, in millions, from FY 2019 to FY 2020 in the various revenue sources:

Revenue source table

| REVENUE SOURCE | FY 2020 | FY 2019 | Change |
|---------------------------------------------|---------|---------|---------|
| Michigan Transportation Fund | | | |
| Motor Vehicle Registration | \$1,345 | \$1,354 | (\$9) |
| Gasoline, Diesel and Alternative fuel taxes | \$1,318 | \$1,460 | (\$142) |
| Motor Vehicle Title Fees | \$31 | \$37 | (\$6) |
| Income Tax Redirection | \$468 | \$264 | \$204 |
| State Trunk Line Fund | | | |
| Local Agencies | \$21 | \$17 | \$4 |
| Federal Agencies | \$967 | \$855 | \$112 |
| Licenses and Permits | \$7 | \$17 | (\$10) |
| Comprehensive Transportation Fund | | | |
| Public Transportation Services | \$240 | \$254 | (\$14) |
| Federal Agencies | \$75 | \$39 | \$36 |
| Motor Fuel Taxes | \$90 | \$97 | (\$7) |
| State Aeronautics Fund | | | |
| Aviation Fuel Tax | \$14 | \$16 | (\$2) |
| Federal Agencies | \$234 | \$67 | \$167 |

PROGRAM OVERVIEW

MDOT's Transportation Program supports the creation of jobs, growth of the economy, preservation of our environment, the safety and security of the transportation system, and implements the direction set by the State Transportation Commission. In FY 2020, MDOT was confronted with increased project costs, stretched budgets, and an aging infrastructure.

The Capital Program provided Michigan travelers with approximately 938 lane miles of improved roads and 261 rehabilitated and maintained bridges. Additionally, MDOT managed good and fair roads by extending the life on about 1,553 lane miles of pavement through the Capital Preventive Maintenance Program. With the FY 2020 Highway Program investment, MDOT continued to positively influence Michigan's economy by supporting 24,600 jobs.

The FY 2020 Highway Program invested \$1.98 billion to maintain the approximately 9,700 route mile (32,000 lane miles) state trunkline system, including pre-construction phases (project scoping, environmental clearance, design, and right-of-way acquisition), construction projects and other miscellaneous programs. Highlights of the FY 2020 Highway Program include pavement preservation activities, including road rehabilitation and reconstruction and capital preventive maintenance totaling \$1.130 billion. Bridge preservation activities, including bridge rehabilitation and reconstruction and bridge capital preventive maintenance, totaled \$203 million. Routine maintenance activities total an estimated \$363 million; this includes pothole filling, snow plowing, sweeping, and grass cutting. The rest of the Highway Program included a combined \$289 million between Trunkline Modernization, System Operations, Traffic and Safety, and other miscellaneous programs.

MDOT continued its focus on the preservation of existing public transportation services. This was done by distributing \$196.8 million in Comprehensive Transportation Fund (CTF) monies and allocating \$51.3 million in federal operating, capital, and emergency relief funds for local transit operations. Also allocated was \$35.8 million CTF to match federal capital funds of \$143.2 million. Additionally, the Office of Passenger Transportation (OPT) provided \$275,000 in 100 percent state capital funds for transit bus replacement and \$3.2 million in state funds for service initiatives around the state and for participation in the Automated Bus Consortium (ABC). ABC is a partnership of public entities around the country that will develop vehicle specifications to procure and deploy large, accessible, electric automated buses to help inform the use of autonomous vehicles (AVs) in public transit. Funding for intercity services was provided at \$1.5 million from the CTF and \$9.0 million in federal operating, capital, and emergency relief funds to maintain intercity bus services in nearly 130 Michigan communities, on 41 routes, to enhance both customer and carrier safety. Customer service and safety were also the focus of OPT/MDOT's ongoing safety certification of private motor bus carriers as required in P.A. 432. Those services were provided to 153 carriers and 1,345 vehicles.

State budget reductions affected CTF programs resulting in a reduction of approximately \$26 million for FY 2020. Capital purchases and service initiative projects were most dramatically affected by these reductions.

MDOT continued to make targeted capital investments designed to help maintain efficient freight service on the 530 miles of state-owned freight rail lines operated, under contract, by four railroad companies. Several projects were undertaken to help ensure continued rail access to shippers and enhance the safety and efficiency of the lines. MDOT invested over \$8.2 million in these lines during FY2020. Through the Freight Economic Development Program, MDOT approved nine new projects, investing nearly \$2.6 million to provide rail access for new and expanding businesses across the state. MDOT also provided over \$400,000 in legislatively mandated operating assistance to the Detroit-Wayne County Port Authority for administrative and marketing expenditures.

MDOT provided funding for 23 grade crossing safety enhancement projects on roads under county, city, or village jurisdiction and 22 crossing projects on state trunklines, investing a total of over \$15.9 million in dedicated federal and state crossing safety funds in the interest of motorist safety. An additional 42 projects were approved for funding under the Local Grade Crossing Surface Improvement Program; MDOT's 60 percent project share totaled \$2.7 million.

State funds were also used to support intercity passenger rail service to 22 Michigan station communities and improve the state-owned accelerated rail corridor, all to enhance mobility and spur economic development along Michigan's passenger rail corridors. MDOT distributed \$18.1 million in CTF monies to support passenger rail operations along the Wolverine, Pere Marquette and Blue Water routes. In addition, MDOT continued to invest CTF dollars in maintenance activities and infrastructure upgrades to benefit both passengers and freight users along MDOT's 135-mile accelerated rail corridor between Kalamazoo and Dearborn. Investments totaling \$23.6 million supported efforts to maintain a state of good repair, set the stage for higher-speed service and reduce passenger travel times, ensuring MDOT's continued compliance with the terms of earlier federal grants received to purchase and upgrade the corridor. Capital projects during FY 2020 included installing new rail, ties, and ballast; culvert replacement; and bridge work.

MDOT oversaw the Coronavirus Aid, Relief, and Economic Security (CARES) Act Grants provided to 93 Michigan airports affected by the prevention of, preparation for, and response to the COVID-19 pandemic for a total of \$256,958,769 in economic relief. Grants under the CARES Act provided eligible airports with resources needed to maintain operations during times of reduced aviation activity because of the pandemic. With the entirety of eligible costs being reimbursed by the Federal Aviation Administration at a rate of 100 percent, these grants required no state or local match. In addition, the CARES Act also provided the local and state match for 2020 Airport Capital Improvement Grants through the Airport Improvement Program (AIP). The Federal Aviation Administration (FAA) AIP enables projects to be undertaken at Michigan airports to improve aviation safety, preserve or improve the existing infrastructure, enable purchase of airfield equipment, improve, or construct new facilities at airports, and support local economic growth by increasing the capacity of airport facilities. MDOT oversaw \$95,655,248 in 2020 AIP Grant funding; \$53,970,699 for 14 of Michigan's primary airports and \$41,684,549 for 75 of Michigan's general aviation airports. MDOT remains committed to the preservation of current assets with the goal of 100 percent of the primary runways at Tier One airports with good or fair pavement. Recent inspections reveal 87 percent of the runways (measured with newer, more stringent criteria) met the good or better pavement criteria.

CONCLUSION

During the year, \$5.1 billion was expended from all revenue sources to address Michigan's transportation needs. MDOT strives to make wise investment decisions with its limited resources to maximize the results achieved. This has fostered many innovative ideas in MDOT and will undoubtedly promote even more in the future.

We wish to express our appreciation to all the individuals whose dedicated efforts made the preparation of this report possible. Their combined efforts have produced a report that will enable decision-makers and concerned citizens to better understand and evaluate MDOT's financial condition.

Sincerely,

Patrick McCarthy, Director
Bureau of Finance & Administration



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2020

ANNUAL FINANCIAL REPORT

Financial Section





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COMBINED FINANCIAL STATEMENTS – ALL FUND TYPES

NOTES TO FINANCIAL STATEMENTS

MICHIGAN DEPARTMENT OF TRANSPORTATION
COMBINED BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS- BY FUND TYPE
 SEPTEMBER 30, 2020 and 2019
 (In Thousands)

GOVERNMENTAL FUND TYPES

| | SPECIAL REVENUE | | DEBT SERVICE | |
|---------------------------------------------------------------------|-----------------|------------|--------------|------|
| | 2020 | 2019 | 2020 | 2019 |
| ASSETS | | | | |
| Current Assets: | | | | |
| Cash and cash equivalents | \$ 3,815 | \$ 4,230 | \$ - | \$ - |
| Equity in Common Cash | 249,861 | 257,596 | 30 | - |
| Receivables: | | | | |
| Taxes, interest, and penalties (at net) | 132,251 | 139,362 | - | - |
| Other funds | 69,145 | 44,434 | - | - |
| Component Units | - | - | - | - |
| Federal aid | 29,021 | 16,822 | - | - |
| Local units | 610 | 2,381 | - | - |
| Inventories | - | - | - | - |
| Other Current Assets | 23,873 | 3,016 | - | - |
| Total Current Assets | 508,576 | 467,841 | 30 | - |
| Noncurrent Assets: | | | | |
| Receivables: | | | | |
| Taxes | 3,314 | 3,595 | - | - |
| Federal aid | - | - | - | - |
| Local units | - | - | - | - |
| Advances to other funds | - | - | - | - |
| Land contracts | - | - | - | - |
| Miscellaneous | - | - | - | - |
| Total Noncurrent Assets | 3,314 | 3,595 | - | - |
| Total Assets | \$ 511,890 | \$ 471,435 | \$ 30 | \$ - |
| LIABILITIES AND FUND BALANCES | | | | |
| Current Liabilities: | | | | |
| Warrants outstanding | \$ - | \$ - | \$ - | \$ - |
| Accounts payable | 254,297 | 219,716 | - | - |
| Contract reserve payable | - | - | - | - |
| Due to other funds and Components | 21,126 | 18,511 | - | - |
| Amounts held for others | - | - | - | - |
| Unearned revenue | 72 | 282 | - | - |
| Total Current Liabilities | 275,494 | 238,509 | - | - |
| Long-Term Liabilities: | | | | |
| Unearned revenue | 2 | 4 | - | - |
| Total Long-Term Liabilities | 2 | 4 | - | - |
| Total Liabilities | 275,497 | 238,513 | - | - |
| DEFERRED INFLOWS OF RESOURCES | 12,904 | 11,945 | - | - |
| Fund Balance: | | | | |
| Nonspendable | - | - | - | - |
| Restricted | 223,489 | 220,978 | 30 | - |
| Committed | - | - | - | - |
| Assigned | - | - | - | - |
| Total Fund Balances | 223,489 | 220,978 | 30 | - |
| Total Liabilities, Deferred Inflows of Resources, and Fund Balances | \$ 511,890 | \$ 471,435 | \$ 30 | \$ - |

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

| CAPITAL PROJECTS | | TOTALS | |
|------------------|--------------|--------------|--------------|
| 2020 | 2019 | 2020 | 2019 |
| \$ 31 | \$ 64 | \$ 3,846 | \$ 4,293 |
| 2,005,240 | 959,567 | 2,255,132 | 1,217,163 |
| 251 | 533 | 132,502 | 139,894 |
| 16,345 | 14,316 | 85,490 | 58,750 |
| 1,489 | 1,726 | 1,489 | 1,726 |
| 327,641 | 271,711 | 356,662 | 288,533 |
| 121,329 | 93,640 | 121,939 | 96,021 |
| 15,453 | 10,394 | 15,453 | 10,394 |
| 13,212 | 48,199 | 37,085 | 51,215 |
| 2,500,992 | 1,400,149 | 3,009,598 | 1,867,990 |
| 3 | 18 | 3,317 | 3,612 |
| - | - | - | - |
| 55,611 | 49,870 | 55,611 | 49,870 |
| - | - | - | - |
| - | - | - | - |
| 55,613 | 49,888 | 58,927 | 53,482 |
| \$ 2,556,606 | \$ 1,450,037 | \$ 3,068,525 | \$ 1,921,472 |
| \$ - | \$ - | \$ - | \$ - |
| 389,436 | 349,249 | 643,733 | 568,965 |
| - | - | - | - |
| 70,282 | 45,503 | 91,408 | 64,013 |
| - | - | - | - |
| 5,663 | 1,947 | 5,734 | 2,229 |
| 465,381 | 396,699 | 740,876 | 635,207 |
| 84 | 87 | 86 | 91 |
| 84 | 87 | 86 | 91 |
| 465,465 | 396,785 | 740,962 | 635,298 |
| 6 | 21 | 12,910 | 11,966 |
| 15,454 | 10,394 | 15,454 | 10,394 |
| 2,075,681 | 1,042,837 | 2,299,200 | 1,263,814 |
| - | - | - | - |
| - | - | - | - |
| 2,091,134 | 1,053,231 | 2,314,653 | 1,274,208 |
| \$ 2,556,606 | \$ 1,450,037 | \$ 3,068,525 | \$ 1,921,472 |

MICHIGAN DEPARTMENT OF TRANSPORTATION
COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NON-MAJOR GOVERNMENTAL FUNDS- BY FUND TYPE
FISCAL YEARS ENDED SEPTEMBER 30, 2020 and 2019
(In Thousands)

| | GOVERNMENTAL FUND TYPES | | | |
|------------------------------------------------------------------------------|-------------------------|--------------|--------------|-----------|
| | SPECIAL REVENUE | | DEBT SERVICE | |
| | 2020 | 2019 | 2020 | 2019 |
| REVENUES | | | | |
| Taxes | \$ 3,221,531 | \$ 3,175,109 | \$ - | \$ - |
| Federal aid | 75,257 | 38,764 | - | - |
| Local participation | - | - | - | - |
| Services | 4,526 | 4,294 | - | - |
| License and permits | 31,154 | 37,350 | - | - |
| Interest earnings | 4,837 | 8,192 | - | - |
| Non-operating revenue-bridges | - | - | - | - |
| Miscellaneous | 12,132 | 11,794 | 2 | 2 |
| Total Revenues | 3,349,437 | 3,275,503 | 2 | 2 |
| EXPENDITURES | | | | |
| Administration and Operations: | | | | |
| Administration and maintenance | 31,511 | 29,893 | - | 1 |
| Bus operating assistance grants | 226,867 | 223,641 | - | - |
| Other grants | 1,776,108 | 1,694,423 | - | - |
| Airport development | - | - | - | - |
| Non-operating expenditures-bridges | - | - | - | - |
| Trust fund construction activity | - | - | - | - |
| Capital lease payments | - | - | - | - |
| Costs of issuance | - | - | 545 | 2 |
| Bond principal retirement | - | - | 161,665 | 158,965 |
| Bond interest and fiscal charges | - | - | 52,232 | 60,472 |
| Total Administration and Operations | 2,034,486 | 1,947,957 | 214,443 | 219,439 |
| Capital Outlay: | | | | |
| Roads and bridges | - | - | - | - |
| Other capital outlay | - | - | - | - |
| Total Capital Outlay | - | - | - | - |
| Total Expenditures | 2,034,486 | 1,947,957 | 214,443 | 219,439 |
| Excess of Revenues Over (Under) Expenditures | 1,314,951 | 1,327,546 | (214,440) | (219,437) |
| OTHER FINANCING SOURCES | | | | |
| Capital Lease Acquisitions | - | - | - | - |
| Proceeds from sale of capital assets | 16 | - | - | - |
| Michigan Transportation Fund distribution | 240,424 | 254,029 | - | - |
| Grants and transfers from other funds | 1,425 | 1,364 | 213,897 | 219,437 |
| Proceeds from bonds and notes issued | - | - | 103,485 | - |
| Premium on bonds issued | - | - | 7,675 | - |
| Total Other Financing Sources | 241,865 | 255,393 | 325,057 | 219,437 |
| OTHER FINANCING USES | | | | |
| Michigan Transportation Fund distribution | 1,300,079 | 1,291,072 | - | - |
| Grants and transfers to other funds | 235,126 | 239,419 | - | - |
| Discount on bonds issued | - | - | - | - |
| Debt service | 10,896 | 19,401 | - | - |
| Payment to refunded bond escrow agent | - | - | 110,587 | - |
| Total Other Financing Uses | 1,546,101 | 1,549,892 | 110,587 | - |
| Excess of Other Financing Sources Over (Under) Other Financing Uses | (1,304,237) | (1,294,500) | 214,470 | 219,437 |
| Excess of Revenue and Other Sources Over (Under) Expenditures and Other Uses | 10,714 | 33,047 | 30 | - |
| Fund balances-Beginning of fiscal year | Note 1 212,775 | 187,931 | - | - |
| Fund balances-End of fiscal year | \$ 223,489 | \$ 220,978 | \$ 30 | \$ - |

Note 1 The beginning fund balance for the Capital Projects fund was restated in FY20 due to the MiRLap program being reclassified to the Special Revenues fund.

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

| CAPITAL PROJECTS | | TOTALS (Memorandum Only) | |
|------------------|--------------|-----------------------------|--------------|
| 2020 | 2019 | 2020 | 2019 |
| \$ 13,933 | \$ 15,579 | \$ 3,235,464 | \$ 3,190,688 |
| 1,626,774 | 1,223,655 | 1,702,031 | 1,262,418 |
| 20,862 | 17,453 | 20,862 | 17,453 |
| 3,442 | 3,816 | 7,967 | 8,110 |
| 7,320 | 17,804 | 38,473 | 55,155 |
| 8,344 | 17,540 | 13,180 | 25,731 |
| 4,127 | 4,075 | 4,127 | 4,075 |
| 88,798 | 161,078 | 100,932 | 172,874 |
| 1,773,598 | 1,460,999 | 5,123,037 | 4,736,505 |
| 644,418 | 623,355 | 675,929 | 653,249 |
| - | - | 226,867 | 223,641 |
| 283,256 | 128,803 | 2,059,364 | 1,823,226 |
| 105,459 | 82,014 | 105,459 | 82,014 |
| 3,919 | 3,871 | 3,919 | 3,871 |
| 346,062 | 269,615 | 346,062 | 269,615 |
| 21,656 | 587 | 21,656 | 587 |
| - | - | 545 | 2 |
| - | - | 161,665 | 158,965 |
| - | - | 52,232 | 60,472 |
| 1,404,769 | 1,108,246 | 3,653,698 | 3,275,642 |
| 1,601,180 | 1,332,260 | 1,601,180 | 1,332,260 |
| 5,149 | 4,080 | 5,149 | 4,080 |
| 1,606,329 | 1,336,340 | 1,606,329 | 1,336,340 |
| 3,011,099 | 2,444,586 | 5,260,027 | 4,611,982 |
| (1,237,500) | (983,587) | (136,990) | 124,522 |
| 205,902 | 514 | 205,902 | 514 |
| 206 | 660 | 222 | 660 |
| 1,059,655 | 1,037,043 | 1,300,079 | 1,291,072 |
| 278,981 | 235,466 | 494,303 | 456,267 |
| 800,000 | - | 903,485 | - |
| 217,306 | - | 224,980 | - |
| 2,562,050 | 1,273,683 | 3,128,972 | 1,748,512 |
| - | - | 1,300,079 | 1,291,072 |
| 91,847 | 41,457 | 326,973 | 280,876 |
| - | - | - | - |
| 203,001 | 200,035 | 213,897 | 219,437 |
| - | - | 110,587 | - |
| 294,848 | 241,492 | 1,951,536 | 1,791,385 |
| 2,267,202 | 1,032,191 | 1,177,435 | (42,872) |
| 1,029,701 | 48,603 | 1,040,445 | 81,650 |
| 1,053,231 | 1,004,627 | 1,266,006 | 1,192,558 |
| \$ 2,082,932 | \$ 1,053,231 | \$ 2,306,451 | \$ 1,274,208 |



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MICHIGAN DEPARTMENT OF TRANSPORTATION
NOTES TO FINANCIAL STATEMENTS
FISCAL YEAR ENDED SEPTEMBER 30, 2020

Note 1: Significant Accounting Policies

A. Reporting Entity

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

Special Revenue

Michigan Transportation Fund
Comprehensive Transportation Fund

Debt Service

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

Capital Projects

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

The funds above are a part of the State of Michigan reporting entity and are reported in the State of Michigan Annual Comprehensive Financial Report (SOMACFR). The SOMACFR 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.

MICHIGAN DEPARTMENT OF TRANSPORTATION
NOTES TO FINANCIAL STATEMENTS
FISCAL YEAR ENDED SEPTEMBER 30, 2020

B. Authorities not Included as Part of Reporting Entity

Mackinac Bridge Authority

The Mackinac Bridge Authority (MBA), a component unit of the State of Michigan, is reported in the SOMACFR and is not reported in these statements. The MBA issues its own audited financial statements. Further information regarding the relationship between MDOT and the MBA is provided in Note 9 of this report.

Sault Ste. Marie Bridge Authority

MDOT and the Federal Bridge Corporation Limited (FBCL), a Canadian Crown Corporation, share ownership of the International Bridge. The Sault Ste. Marie Bridge Authority (SSMBA) is an international non-profit entity with eight members, four from Michigan and four from Canada, created by an intergovernmental agreement to set policy and oversee bridge operations. The Agreement became effective September 1, 2009 and automatically renews each successive ten-year period after September 30, 2017 and thereafter unless, one year prior to the renewal date, an Owner gives written notice to the other Owner that it elects not to renew the Agreement. The Agreement is in effect until September 30, 2027.

The International Bridge Administration (IBA) is a special administrative entity within MDOT created to carry out the policy decisions of the SSMBA, and under the direction and supervision of MDOT, to enter into contracts to manage and operate the bridge on a daily basis. 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.

The SSMBA issues its own audited financial statements and is not included as part of these statements. The SSMBA is not considered a component unit of the State of Michigan and is not included in the SOMACFR. A summary of the financial information for the SSMBA for fiscal year ending December 31, 2019 and fiscal year ending December 31, 2018 follows (In Thousands):

| | <u>December 31, 2019</u> | <u>December 31, 2018</u> |
|------------------------------------------|--------------------------|--------------------------|
| Assets | \$7,328 | \$5,882 |
| Liabilities | 2,936 | 3,193 |
| Total Fund Balance | 4,392 | 2,689 |
| Total Revenues and Other Sources | 8,023 | 7,129 |
| Total Expenditures and Other Uses | 6,320 | 6,066 |
| Excess of Revenues and Other Sources | | |
| Over (Under) Expenditures and Other Uses | 1,703 | 1,063 |

MICHIGAN DEPARTMENT OF TRANSPORTATION
NOTES TO FINANCIAL STATEMENTS
FISCAL YEAR ENDED SEPTEMBER 30, 2020

C. Basis of Presentation

The financial transactions of MDOT are recorded in individual funds in the Statewide Integrated Governmental Management Applications (SIGMA). The various transportation funds are combined in the SOMACFR into fund types described as follows:

Governmental Fund Types

Special Revenue Funds: This fund type accounts for specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects.

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

Capital Projects Funds: This fund type accounts for resources used for capital outlays, including the acquisition or construction of capital facilities and other capital assets. Capital projects funds exclude capital-related outflows financed by proprietary or trust funds.

D. 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 SOMACFR.

E. Calculation Practice

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

MICHIGAN DEPARTMENT OF TRANSPORTATION
NOTES TO FINANCIAL STATEMENTS
FISCAL YEAR ENDED SEPTEMBER 30, 2020

Note 2: Equity in Common Cash

Custodial Credit Risk: All of MDOT's deposits are managed by the State Treasurer. "Equity in common cash" represents an interest in the State's common cash pool, which is used by most State funds as a short-term investment vehicle. MDOT's deposits are included in the State of Michigan equity in common cash.

MDOT's common cash balances were as follows (In Thousands) as of September 30:

| | <u>Special Revenue Funds</u> | | <u>Debt Service Funds</u> | | <u>Capital Projects Funds</u> | |
|--------------------------|------------------------------|-------------|---------------------------|-------------|-------------------------------|-------------|
| | <u>2020</u> | <u>2019</u> | <u>2020</u> | <u>2019</u> | <u>2020</u> | <u>2019</u> |
| Equity in Common Cash | \$249,861 | \$257,596 | \$ 30 | \$ - | \$2,005,240 | \$959,567 |

The balances for the special revenue funds averaged approximately \$412.6 million and \$273.9⁽¹⁾ million and the balances for the capital projects funds averaged approximately \$749.1 million and \$766.4⁽¹⁾ million during fiscal years 2020 and 2019, respectively.

The Governmental Accounting Standards Board (GASB) requires certain disclosures related to custodial credit risk for deposits. Custodial credit risk for deposits is the risk that, in the event of a bank failure, MDOT's deposits will not be returned to it. Deposits are exposed to custodial credit risk if they are not covered by depository insurance and are uncollateralized, collateralized with securities held by pledging financial institutions, or collateralized with securities held by the pledging financial institution's trust department or agent but not in MDOT's name. The State Treasurer evaluates each financial institution it deposits common cash funds with and assesses the level of risk of each institution. The State Treasurer's policy requires all financial institutions holding the State's money must pledge collateral equal to the amount of the account balance for all demand and time deposits, to secure the State's funds. Only those institutions with an acceptable estimated risk are used as depositories.

⁽¹⁾ Restated fiscal year 2019 average daily cash balance amounts, as a process has been established which utilizes a more granular approach to the data for this calculation.

MICHIGAN DEPARTMENT OF TRANSPORTATION
NOTES TO FINANCIAL STATEMENTS
FISCAL YEAR ENDED SEPTEMBER 30, 2020

Note 3: Current Receivables

A. Allowance for Doubtful Accounts

Current receivables recorded in the financial statements represent amounts due to MDOT as of September 30, 2020 and 2019 and are expected to be collected within 12 months. Receivables not due for collection within 12 months are classified as noncurrent assets with an offsetting deferred revenue. Due to the uncertainty associated with contested receivables in litigation or pending litigation, these receivables are recorded in an allowance for doubtful accounts, with the net amount reported in the financial statements. Receivables referred to Treasury for collection will no longer be classified as a receivable with a corresponding entry to allowance for doubtful accounts but will instead be written-off as uncollectible at the time of referral.

| | <u>Contested Receivables</u> (In Thousands) | |
|---------------------------------------|------------------------------------------------|-----------------|
| | <u>2020</u> | <u>2019</u> |
| State Trunkline Fund | \$ 790 | \$ 1,048 |
| Comprehensive Transportation Fund | <u>1</u> | <u>45</u> |
| Total Allowance for Doubtful Accounts | <u>\$ 791</u> | <u>\$ 1,093</u> |

B. Taxes Receivable

In the Michigan Transportation Fund, the gross amount of current taxes receivable, \$189.5 million and \$189.1 million, less allowances for uncollectible receivables, \$58.2 million and \$55.6 million result in net taxes receivable of \$131.3 million and \$133.5 million, being recorded for motor fuel taxes due to the fund as of September 30, 2020 and 2019, respectively.

In the State Aeronautics Fund, the gross amount of current taxes receivable, \$3.4 million and \$3.2 million, less allowances for uncollectible receivables, \$3.2 million and \$2.7 million result in net taxes receivable of \$0.3 million and \$0.5 million, being recorded for aviation fuel taxes due to the fund as of September 30, 2020 and 2019, respectively.

The reporting of gross receivable net of related allowance for uncollectible accounts is consistent with the treatment of other taxes receivable reported in the SOMACFR.

C. Federal Highway Administration (FHWA) Receivable

MDOT recorded federal aid receivables in the State Trunkline Fund, State Trunkline Bond Proceeds Fund, and Transportation Related Trust Fund totaling \$186.1 million and \$209.2 million for the fiscal years ending September 30, 2020 and 2019, respectively. No noncurrent federal aid receivables were recorded for the fiscal years ending September 30, 2020 and 2019.

MICHIGAN DEPARTMENT OF TRANSPORTATION
NOTES TO FINANCIAL STATEMENTS
FISCAL YEAR ENDED SEPTEMBER 30, 2020

Note 4: Capital Assets

- A. Capital assets owned by MDOT, including property, plant, equipment, intangible items and infrastructure items (roads, bridges, ramps, railroads, rest areas, and welcome centers) are reported in the government-wide financial statements of the SOMACFR. The State has elected to use the “modified approach” to account for certain infrastructure assets, roads and bridges, as provided in Governmental Accounting Standards Board (GASB) Statement No. 34. For more information on the reporting of capital assets under this Statement, see Note 9 of the SOMACFR.

Classification: The following tables summarize, by major class of asset, fiscal year 2020 changes in reported costs for MDOT’s capital assets (In Millions):

| Changes in Capital Assets Fiscal Year 2020 | | | | |
|-----------------------------------------------|-----------------------|----------------------|------------------------|-----------------------|
| | Beginning Balance | Additions | Deletions | Ending Balance |
| <u>Capital assets, not depreciated:</u> | | | | |
| Roads | \$12,860.9 | \$123.1 | (\$922.4) | \$12,061.6 |
| Land | 3,146.5 | 7.8 | - | 3,154.3 |
| Bridges | 2,693.9 | 266.1 | (34.4) | 2,925.6 |
| Construction in Progress | 1,744.4 | 1,002.5 | (472.3) | 2,274.7 |
| Computer Software Projects in Progress | 6.8 | 2.4 | (6.8) | 2.4 |
| Land Rights | 0.4 | 0.2 | - | 0.6 |
| <u>Capital assets, depreciated:</u> | | | | |
| Equipment | 241.2 | 9.6 | (3.4) | 247.4 |
| Buildings | 168.9 | 5.4 | (0.1) | 174.1 |
| Blue Water Bridge Infrastructure | 32.1 | 3.5 | - | 35.6 |
| Railroads | 173.7 | - | - | 173.7 |
| Rest Areas & Welcome Centers | 120.9 | - | - | 120.9 |
| Land Improvements | 54.5 | 2.0 | (0.6) | 55.9 |
| Airports | 1.8 | - | - | 1.8 |
| Computer Software Project | - | 6.8 | - | 6.8 |
| <u>Less accumulated depreciation for:</u> | | | | |
| Equipment | (106.9) | (11.5) | 2.7 | (115.6) |
| Buildings | (88.0) | (7.1) | 0.1 | (95.1) |
| Blue Water Bridge Infrastructure | (14.2) | (1.4) | - | (15.6) |
| Railroad | (54.6) | (4.1) | - | (58.7) |
| Rest Area & Welcome Center | (51.9) | (2.7) | - | (54.6) |
| Land Improvements | (14.1) | (2.7) | 0.3 | (16.4) |
| Airports | (1.0) | (0.1) | - | (1.1) |
| Computer Software Project | - | (1.1) | - | (1.1) |
| Total Capital Assets | <u>\$20,915.3</u> | <u>\$1,398.7</u> | <u>(\$1,436.7)</u> | <u>\$20,877.2</u> |

MICHIGAN DEPARTMENT OF TRANSPORTATION
NOTES TO FINANCIAL STATEMENTS
FISCAL YEAR ENDED SEPTEMBER 30, 2020

- B. Funding Source: Following is a summary of funding sources for investments in capital assets as of September 30, 2020 (In Millions):

| <u>Fund</u> | <u>Investment</u> |
|------------------------------------|--------------------|
| State Trunkline Fund | \$ 20,679.1 |
| Comprehensive Transportation Fund | 185.5 |
| State Aeronautics Fund | <u>12.7</u> |
| Total Investment in Capital Assets | <u>\$ 20,877.2</u> |

MICHIGAN DEPARTMENT OF TRANSPORTATION
NOTES TO FINANCIAL STATEMENTS
FISCAL YEAR ENDED SEPTEMBER 30, 2020

Note 5: General Long-Term Obligations

A. Revenue Dedicated Bonded Debt

MDOT has periodically issued long-term bonds for specific purposes, with the pledge that financing of debt requirements is to come strictly from designated revenue sources, including State Trunkline Funds (STF), Comprehensive Transportation Funds (CTF) and federal grants. The State of Michigan's general credit does not support such issues. Public Act 51 of 1951, as amended, provides that monies deposited in the STF and/or the CTF are appropriated for specific purposes, with debt service being the first priority. A sufficient portion of the STF and the CTF is appropriated to pay, when due, the principal of and interest outstanding on bonds and notes.

Revenue Dedicated Bonded Debt
Department of Transportation (In Thousands)

| | Amounts | Outstanding | | Maturities | | Average |
|------------------------------------------------|--------------|--------------|--------------|------------|-----------|--------------------------------|
| | Issued | 9/30/20 | 9/30/19 | First Year | Last Year | Interest Rate % ⁽¹⁾ |
| <u>Comprehensive Transportation Fund Bonds</u> | | | | | | |
| Series 2005 (Refunding) | \$ 62,180 | \$ 18,390 | \$ 26,435 | 2009 | 2023 | 5.25 |
| Series 2011 (Refunding) | 18,470 | 4,585 | 6,710 | 2013 | 2022 | 4.50 |
| Series 2013 (Refunding) | 10,130 | 1,540 | 1,540 | 2014 | 2023 | 4.70 |
| Series 2015 (Refunding) | 29,380 | 25,025 | 26,190 | 2017 | 2031 | 4.89 |
| Total Comprehensive Transportation Fund Bonds | \$ 120,160 | \$ 49,540 | \$ 60,875 | | | |
| <u>State Trunkline Fund Bonds</u> | | | | | | |
| Series 2004 (Refunding) | 103,450 | 23,845 | 34,870 | 2006 | 2022 | 5.02 |
| Series 2005 (Refunding) | 223,020 | 47,790 | 69,795 | 2010 | 2022 | 5.24 |
| Series 2009 (Revenue and Refunding) | 146,190 | - | 146,185 | 2018 | 2027 | 4.99 |
| Series 2011 | 90,980 | 74,050 | 76,790 | 2014 | 2037 | 4.72 |
| Series 2012 (Refunding) | 49,305 | 14,470 | 21,185 | 2014 | 2022 | 4.80 |
| Series 2014 (Refunding) | 265,085 | 41,405 | 60,640 | 2016 | 2022 | 4.49 |
| Series 2015 (Refunding) | 54,055 | 54,055 | 54,055 | 2023 | 2023 | 4.84 |
| Series 2020A (Refunding) | 103,485 | 103,485 | - | 2021 | 2027 | 5.00 |
| Series 2020B | 800,000 | 800,000 | - | 2021 | 2046 | 4.55 |
| Total State Trunkline Fund Bonds | \$ 1,835,570 | \$ 1,159,100 | \$ 463,520 | | | |
| <u>Grant Anticipation Bonds</u> | | | | | | |
| Series 2016 (Refunding) | 607,110 | 542,310 | 595,130 | 2018 | 2027 | 4.97 |
| Total Grant Anticipation Bonds | \$ 607,110 | \$ 542,310 | \$ 595,130 | | | |
| Total Revenue Dedicated Bonded Debt | \$ 2,562,840 | \$ 1,750,950 | \$ 1,119,525 | | | |

⁽¹⁾Beginning in fiscal year 2017, average interest rates now reflect a weighted average calculation.

MICHIGAN DEPARTMENT OF TRANSPORTATION
NOTES TO FINANCIAL STATEMENTS
FISCAL YEAR ENDED SEPTEMBER 30, 2020

B. Advance Refundings and Defeasances

MDOT has issued refunding bonds to finance the advance refunding of selected bond issues. A portion of the proceeds of the refunding issues were placed in trust and used to purchase securities of the U.S. Government and related agencies at various interest rates and maturities sufficient to meet all debt service requirements of the refunded debt. These assets are administered by a trustee and are restricted for the retirement of the refunded debt. The liability for the refunded bonds and the related securities and escrow accounts are not included in the accompanying financial statements, as MDOT defeased its obligation for payment of the refunded bonded debt upon completion of the refunding transaction.

There were no defeased bonds outstanding on September 30, 2020 or 2019.

C. Debt Service Requirements

The following table summarizes debt service requirements for outstanding bonds (In Thousands):

| FISCAL YEARS ENDING | STATE TRUNKLINE FUND | | | COMPREHENSIVE TRANSPORTATION FUND | | | GRANT ANTICIPATION BONDS | | | COMBINED TOTAL | | |
|------------------------|----------------------|-----------|-------------|--------------------------------------|----------|----------|--------------------------|-----------|-----------|----------------|-----------|-------------|
| SEPTEMBER 30 | PRINCIPAL | INTEREST | TOTAL | PRINCIPAL | INTEREST | TOTAL | PRINCIPAL | INTEREST | TOTAL | PRINCIPAL | INTEREST | TOTAL |
| 2021 | \$102,445 | \$40,673 | \$143,118 | \$11,930 | \$2,406 | \$14,336 | \$28,785 | \$26,396 | \$55,181 | \$143,160 | \$69,475 | \$212,635 |
| 2022 | 108,020 | 46,440 | 154,460 | 12,555 | 1,783 | 14,338 | 30,290 | 24,919 | 55,209 | 150,865 | 73,142 | 224,007 |
| 2023 | 67,725 | 42,013 | 109,738 | 2,540 | 1,201 | 3,741 | 40,560 | 23,148 | 63,708 | 110,825 | 66,362 | 177,187 |
| 2024 | 14,375 | 40,005 | 54,380 | 2,555 | 1,062 | 3,617 | 95,020 | 19,758 | 114,778 | 111,950 | 60,825 | 172,775 |
| 2025 | 15,100 | 39,275 | 54,375 | 2,685 | 931 | 3,616 | 101,505 | 14,845 | 116,350 | 119,290 | 55,051 | 174,341 |
| 2026 | 5,205 | 38,774 | 43,979 | 2,825 | 793 | 3,618 | 119,095 | 9,330 | 128,425 | 127,125 | 48,897 | 176,022 |
| 2027 | 5,470 | 38,507 | 43,977 | 2,970 | 648 | 3,618 | 127,055 | 3,176 | 130,231 | 135,495 | 42,332 | 177,827 |
| 2028 | 59,575 | 36,881 | 96,456 | 3,120 | 496 | 3,616 | - | - | - | 62,695 | 37,377 | 100,072 |
| 2029 | 56,965 | 33,968 | 90,933 | 3,280 | 336 | 3,616 | - | - | - | 60,245 | 34,304 | 94,549 |
| 2030 | 54,735 | 31,175 | 85,910 | 3,450 | 168 | 3,618 | - | - | - | 58,185 | 31,343 | 89,528 |
| 2031 | 52,955 | 28,483 | 81,438 | 1,630 | 41 | 1,671 | - | - | - | 54,585 | 28,524 | 83,109 |
| 2032 | 39,875 | 26,162 | 66,037 | - | - | - | - | - | - | 39,875 | 26,162 | 66,037 |
| 2033 | 37,735 | 24,248 | 61,983 | - | - | - | - | - | - | 37,735 | 24,248 | 61,983 |
| 2034 | 39,870 | 22,333 | 62,203 | - | - | - | - | - | - | 39,870 | 22,333 | 62,203 |
| 2035 | 20,665 | 20,820 | 41,485 | - | - | - | - | - | - | 20,665 | 20,820 | 41,485 |
| 2036 | 20,955 | 19,779 | 40,734 | - | - | - | - | - | - | 20,955 | 19,779 | 40,734 |
| 2037 | 48,655 | 18,039 | 66,694 | - | - | - | - | - | - | 48,655 | 18,039 | 66,694 |
| 2038 | 43,965 | 15,943 | 59,908 | - | - | - | - | - | - | 43,965 | 15,943 | 59,908 |
| 2039 | 46,125 | 14,142 | 60,267 | - | - | - | - | - | - | 46,125 | 14,142 | 60,267 |
| 2040 | 48,390 | 12,251 | 60,641 | - | - | - | - | - | - | 48,390 | 12,251 | 60,641 |
| 2041 | 53,485 | 10,214 | 63,699 | - | - | - | - | - | - | 53,485 | 10,214 | 63,699 |
| 2042 | 33,800 | 8,425 | 42,225 | - | - | - | - | - | - | 33,800 | 8,425 | 42,225 |
| 2043 | 42,955 | 6,803 | 49,758 | - | - | - | - | - | - | 42,955 | 6,803 | 49,758 |
| 2044 | 44,765 | 4,957 | 49,722 | - | - | - | - | - | - | 44,765 | 4,957 | 49,722 |
| 2045 | 46,650 | 3,032 | 49,682 | - | - | - | - | - | - | 46,650 | 3,032 | 49,682 |
| 2046 | 48,640 | 1,025 | 49,665 | - | - | - | - | - | - | 48,640 | 1,025 | 49,665 |
| TOTAL | \$1,159,100 | \$624,367 | \$1,783,467 | \$49,540 | \$9,865 | \$59,405 | \$542,310 | \$121,573 | \$663,883 | \$1,750,950 | \$755,804 | \$2,506,754 |

MICHIGAN DEPARTMENT OF TRANSPORTATION
NOTES TO FINANCIAL STATEMENTS
FISCAL YEAR ENDED SEPTEMBER 30, 2020

D. Other General Long-Term Obligations

Capital Leases:

Capitalized lease liabilities are described in more detail in Note 6.

Compensated Absences:

Compensated absences liabilities are detailed in Note 7.

Claims and Judgments:

The liability recorded for claims and judgments consists of projected amounts for highway-related negligence cases based upon historical loss ratios. It should be stressed that MDOT continues to vigorously contest all these claims and that MDOT may incur no liability in the individual cases involved. Therefore, the allowance for litigation losses may be overstated (to the extent that losses do not occur) or understated (if the losses exceed the projected amounts).

Public-Private Partnerships:

MDOT has entered into long term public-private partnership (P3) agreements for the Metro Region Freeway Lighting and Segment 3 of the I-75 Modernization projects. These agreements obligate state transportation funds over a period of years. These obligations are more detailed in Note 10.

MICHIGAN DEPARTMENT OF TRANSPORTATION
NOTES TO FINANCIAL STATEMENTS
FISCAL YEAR ENDED SEPTEMBER 30, 2020

E. Changes in General Long-term Obligations:

Changes in general long-term obligations (In Thousands) for the fiscal years ended September 30, 2020 and 2019 are summarized as follows:

| | Revenue Dedicated Debt - <u>Oversight Entity</u> | | Capital Lease <u>Obligations</u> | |
|--------------------------------------------------------------------------|--------------------------------------------------------|---------------------|-------------------------------------|-----------------|
| | <u>2020</u> | <u>2019</u> | <u>2020</u> | <u>2019</u> |
| Balance – Beginning | \$ 1,119,525 | \$ 1,278,490 | \$ 1,398 | \$ 1,702 |
| New bond issues/capital lease additions and adjustments | 903,485 | - | 1,099 | - |
| Accretion on Capital Appreciation Bonds | - | - | - | - |
| Bond principal retirements/ capital lease payments and adjustments | <u>(272,060)</u> | <u>(158,965)</u> | <u>(374)</u> | <u>(305)</u> |
| Balance – Ending | <u>\$ 1,750,950</u> | <u>\$ 1,119,525</u> | <u>\$ 2,123</u> | <u>\$ 1,398</u> |

MICHIGAN DEPARTMENT OF TRANSPORTATION
NOTES TO FINANCIAL STATEMENTS
FISCAL YEAR ENDED SEPTEMBER 30, 2020

Changes in General Long-term Obligations (continued):

| | <u>Claims and Judgments</u> | | <u>Compensated Absences Liabilities</u> | |
|-----------------------------------------------------|---------------------------------|--------------|---------------------------------------------|------------------|
| | <u>2020</u> | <u>2019</u> | <u>2020</u> | <u>2019</u> |
| Balance - Beginning | \$ 74 | \$ 182 | \$ 26,971 | \$ 27,800 |
| Net increase (decrease) in estimated liabilities | <u>3,926</u> | <u>(108)</u> | <u>2,352</u> | <u>(829)</u> |
| Balance - Ending | \$ <u>4,000</u> | \$ <u>74</u> | \$ <u>29,323</u> | \$ <u>26,971</u> |

| | <u>Public-Private Partnerships</u> | |
|-------------------------------------------|----------------------------------------|------------------|
| | <u>2020</u> | <u>2019</u> |
| Balance - Beginning | \$ 48,900 | \$ 60,200 |
| Net increase (decrease) in liabilities | <u>193,400</u> | <u>(11,300)</u> |
| Balance - Ending | \$ <u>242,300</u> | \$ <u>48,900</u> |

MICHIGAN DEPARTMENT OF TRANSPORTATION
NOTES TO FINANCIAL STATEMENTS
FISCAL YEAR ENDED SEPTEMBER 30, 2020

Note 6: Leases

MDOT leases office facilities under noncancelable leasing arrangements. Most leases have cancellation clauses with one to six months' notice requirements in the event that funding is not available. For reporting purposes, such cancellation clauses are not considered in the determination of whether a lease is cancelable because the likelihood that such clauses will be exercised is considered remote. Leases that are comparable to purchases are classified as "capital" leases, therefore assets and liabilities are recorded in the government-wide statements at lease inception. Other leases are classified as "operating" leases, which are treated as rental agreements and the resulting expenditures are recognized as incurred over the lease term.

Actual rental expenditures incurred under operating leases totaled \$337,777 and \$408,044 during fiscal years 2020 and 2019, respectively.

Summary of the noncancelable operating and capital leasing commitments to maturity for fiscal year 2020 follows (In Thousands):

| Noncancelable Lease Commitments As of September 30, 2020 | | | | | |
|-------------------------------------------------------------|---------------------|-----------------|---------------|-----------------|-----------------|
| Fiscal Year Ended September 30 | Operating Leases | Capital Leases | | | Total |
| | | Principal | Interest | Executory | |
| 2021 | \$ 296 | \$ 411 | \$ 183 | \$ 256 | \$ 850 |
| 2022 | 237 | 441 | 153 | 256 | 850 |
| 2023 | 137 | 367 | 117 | 208 | 691 |
| 2024 | 36 | 282 | 102 | 165 | 549 |
| 2025 | 14 | 273 | 85 | 153 | 512 |
| <u>2026-2030</u> | <u>-</u> | <u>349</u> | <u>118</u> | <u>200</u> | <u>668</u> |
| Total | <u>\$ 720</u> | <u>\$ 2,123</u> | <u>\$ 758</u> | <u>\$ 1,239</u> | <u>\$ 4,120</u> |

The schedule above is consistent with SOMACFR in that it does not include leases for state owned buildings, leases for an amount less than \$10,000, lease extensions less than 12 months and lease payment changes less than \$200.

All the capital leases above are related to governmental fund operations and the total of capital lease principal is recorded in the government-wide statements of the SOMACFR.

The historical cost of assets acquired under capital leases, which are included in the government-wide statements of the SOMACFR, on September 30, 2020 and 2019 follows (In Thousands):

| | <u>2020</u> | <u>2019</u> |
|-----------|-------------|-------------|
| Buildings | \$3,279 | \$2,181 |

MICHIGAN DEPARTMENT OF TRANSPORTATION
NOTES TO FINANCIAL STATEMENTS
FISCAL YEAR ENDED SEPTEMBER 30, 2020

Note 7: Employee Benefits - Retirement and Compensated Absences

A. Retirement and Other Postemployment Benefit Contributions

Department of Transportation employees are members of the State Employees' Retirement System. Retirement contributions are expended from MDOT's special revenue funds and capital projects funds to the State Employees' Retirement Fund, the State Employees' Other Postemployment Benefits Fund and the State Employees' Defined Contribution Retirement Fund.

State statutes require that the State provide certain other postemployment benefits (OPEB) to many of its retired employees. The Legislature establishes the extent to which the employer and employees are required to make contributions and establishes the benefit provisions for each plan. The State is not required to fund the plans other than the pay-as-you-go amount necessary to provide current benefits to retirees. However, beginning in fiscal year 2012, the State started prefunding the OPEB liability.

MDOT's retirement and OPEB contributions were as follows (In Thousands):

| | <u>2020</u> | <u>2019</u> |
|--------------------------------------------------|-----------------|-----------------|
| State Trunkline Fund | \$83,116 | \$86,745 |
| Comprehensive Transportation Fund | 2,134 | 2,148 |
| State Aeronautics Fund | 1,405 | 1,499 |
| Blue Water Bridge | <u>1,034</u> | <u>1,126</u> |
| Total Department of Transportation Contributions | <u>\$87,689</u> | <u>\$91,518</u> |

B. Compensated Absences

MDOT has accrued liabilities for compensated absences as required by GASB. Liabilities related to governmental fund types are recorded in the government-wide statements in the SOMACFR, unless the liability is "due and payable" (i.e., liabilities are recognized in the year employee leaves State service) at year-end. The amount "due and payable" is reflected in the "Accounts payable" line of the applicable fund's balance sheet.

MICHIGAN DEPARTMENT OF TRANSPORTATION
NOTES TO FINANCIAL STATEMENTS
FISCAL YEAR ENDED SEPTEMBER 30, 2020

The following table summarizes Department of Transportation related compensated absences liabilities as of September 30, 2020 and 2019 (In Thousands):

| | <u>Sick Leave</u> | | <u>Annual Leave</u> | | <u>Banked Leave</u> | | <u>Total</u> | |
|-----------------------------------|-----------------------|-----------------------|------------------------|------------------------|-----------------------|-----------------------|------------------------|------------------------|
| | <u>2020</u> | <u>2019</u> | <u>2020</u> | <u>2019</u> | <u>2020</u> | <u>2019</u> | <u>2020</u> | <u>2019</u> |
| State Trunkline Fund | \$1,025 | \$1,309 | \$23,773 | \$20,891 | \$2,756 | \$2,971 | \$27,555 | \$25,172 |
| Comprehensive Transportation Fund | 155 | 193 | 625 | 576 | 89 | 126 | 869 | 895 |
| State Aeronautics Fund | 218 | 235 | 446 | 401 | 56 | 69 | 720 | 705 |
| Blue Water Bridge | <u>2</u> | <u>2</u> | <u>167</u> | <u>186</u> | <u>10</u> | <u>10</u> | <u>179</u> | <u>199</u> |
| TOTAL | <u>\$1,400</u> | <u>\$1,740</u> | <u>\$25,011</u> | <u>\$22,055</u> | <u>\$2,912</u> | <u>\$3,177</u> | <u>\$29,323</u> | <u>\$26,971</u> |

If a MDOT employee transfers to another department, the related compensated absence liability is assumed by the employee's new department.

For a more detailed explanation of retirement benefits, other post-employment benefits and compensated absence accruals, refer to Notes 10, 11 and 1, respectively, of the SOMACFR.

MICHIGAN DEPARTMENT OF TRANSPORTATION
NOTES TO FINANCIAL STATEMENTS
FISCAL YEAR ENDED SEPTEMBER 30, 2020

Note 8: Interfund Transactions by the Michigan Transportation Fund

MDOT's most significant interfund transaction 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, alternative fuel taxes, motor carrier taxes, vehicle license taxes, and statutorily dedicated income tax revenues. 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, the Rail Grade Crossing Surface Program, Rail Grade Crossing Surface Improvements, Wetland Mitigation Fund, Moveable Bridge Fund, 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 Local Bridge program, the Economic Development program, and the Local Road program. Three of the four cents a gallon that MTF receives for gasoline taxes is then added to the total. The remaining penny is dedicated to bridge repair and is distributed evenly between STF and the Local Bridge fund. STF receives 39.1 percent of the remaining balance.

Other transactions from MTF are also required by P.A. 51 of 1951, or the current year's appropriation bill. See the table below for MTF's interfund transactions in fiscal years 2020 and 2019 (In Thousands).

| <u>Interfund Transactions</u> | <u>2020</u> | <u>2019</u> |
|--------------------------------------------|--------------------|--------------------|
| MTF Distribution – STF | \$1,059,679 | \$1,037,058 |
| MTF Distribution – CTF | 240,424 | 254,029 |
| Other State agencies | 46,438 | 48,948 |
| Debt Service | 50,000 | 50,000 |
| Economic Development Program | 40,275 | 40,275 |
| Local Road Program | 33,000 | 33,000 |
| Local Bridge Fund | 28,067 | 30,622 |
| Transportation Planning | 11,178 | 11,455 |
| Design and Engineering Services | 13,014 | 12,348 |
| Rail Grade Crossing Program | 3,000 | 3,000 |
| Rail Grade Crossing – Surface Improvements | 3,000 | 3,000 |
| Freight and Safety Services | 1,425 | 1,364 |
| Finance, Contracts and Support Services | 1,620 | 1,563 |
| Enhancement Program | 836 | 821 |
| Moveable Bridge Program | 5,337 | 5,223 |
| Local Agency Wetlands Mitigation Fund | 2,000 | 2,000 |
| | <u>\$1,539,294</u> | <u>\$1,534,706</u> |

MICHIGAN DEPARTMENT OF TRANSPORTATION
NOTES TO FINANCIAL STATEMENTS
FISCAL YEAR ENDED SEPTEMBER 30, 2020

Note 9: Component Unit - Mackinac Bridge Authority

The MBA, which is reported as a governmental component unit in the SOMACFR, has over the years received \$75.3 million of subsidies for operations (\$12.3 million) and debt service (\$63.0 million) from the State Trunkline Fund and the Michigan Transportation Fund, respectively. The MBA redeemed its remaining bonds on July 1, 1986.

State statutes require that the MBA 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 MBA 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 MBA after consideration of the MBA's annual needs for its operations and planned repairs and improvements.

The MBA repaid \$17,056,172 between fiscal years 1993 and 2020 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 \$45,943,828 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, 2020, a current receivable of \$1,489,284 is recorded in the State Trunkline Fund's balance sheet as an amount due from component units for the MBA's reimbursement of payroll and related expenses. An accounts payable due to MDOT is recorded in the MBA's balance sheet.

MICHIGAN DEPARTMENT OF TRANSPORTATION
NOTES TO FINANCIAL STATEMENTS
FISCAL YEAR ENDED SEPTEMBER 30, 2020

Note 10: Contingencies and Commitments

A. Litigation

MDOT 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 MDOT's financial position.

MDOT accrues fund liabilities at year-end related to settled cases where the outcome and dollar amount of the claim is final. For unsettled cases, liability recognition or disclosure is recorded at the statewide level, dependent on whether the loss is probable or reasonably possible.

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, 2020 and 2019, MDOT estimates the disallowance of recognized revenues will not be material to the financial statements.

C. Commitments and Encumbrances

MDOT has construction and consultant commitments for transportation projects. As of September 30, 2020 and 2019, the balances remaining on these contracts equaled \$824.2 million and \$1,030.6 million, respectively. Portions of these balances, \$103.4 million as of September 30, 2020, and \$45.1 million as of September 30, 2019, have been encumbered.

MDOT has entered into a Public-Private Partnership (P3) contract for the Metro Region Freeway Lighting Project. This contract will provide for the financing, design, construction, operation, and maintenance of freeway lighting in Wayne, Oakland and Macomb counties (City of Detroit) from 2015 to 2030. The total contract amount for this project is \$142.5 million. MDOT has a commitment of \$50.5 million as of September 30, 2020.

MDOT has also entered a P3 contract for the I-75 Modernization project. This contract will provide for the financing, design, construction, operation, and maintenance of Segment 3 of the I-75 Modernization Project in Oakland County from 2020-2048. The total contract amount for this project is \$1,454.8 million. MDOT has a commitment of \$719.4 million as of September 30, 2020.

MICHIGAN DEPARTMENT OF TRANSPORTATION
NOTES TO FINANCIAL STATEMENTS
FISCAL YEAR ENDED SEPTEMBER 30, 2020

D. Advance Construction

Under an agreement with Federal Highway Administration (FHWA), MDOT has, over a period of years, qualified several construction projects without placing them under a reimbursement agreement. These deferred federal aid projects may be converted to current reimbursement at the option of MDOT, 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 2020, MDOT had \$576.5 million of State Trunkline expenditures on projects related to routine advanced construction and \$49.8 million of State Trunkline expenditures on projects related to future debt service advanced construction. At the end of fiscal year 2019, MDOT had \$508.8 million of State Trunkline expenditures on projects related to routine advanced construction and \$97.8 million of State Trunkline expenditures on projects related to future debt service advanced construction.

MICHIGAN DEPARTMENT OF TRANSPORTATION
NOTES TO FINANCIAL STATEMENTS
FISCAL YEAR ENDED SEPTEMBER 30, 2020

Note 11: Subsequent Events

There are no known subsequent events to report for fiscal year 2020.



FUND DESCRIPTIONS

COMBINING FINANCIAL STATEMENTS
AND
SCHEDULES

MICHIGAN DEPARTMENT OF TRANSPORTATION
DESCRIPTIONS OF SPECIAL REVENUE FUNDS
FISCAL YEAR ENDED SEPTEMBER 30, 2020

MICHIGAN TRANSPORTATION FUND

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

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 revenues, a portion of vehicle-related sales tax, and transfers from the Michigan Transportation Fund. Expenditures and transfers are for administration, transit and intercity bus operating and capital assistance, debt service, and rail freight services and safety programs. 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.

MICHIGAN DEPARTMENT OF TRANSPORTATION
COMBINING BALANCE SHEET - SPECIAL REVENUE FUNDS
 SEPTEMBER 30, 2020 and 2019
 (In Thousands)

| | MICHIGAN TRANSPORTATION FUND | | COMPREHENSIVE TRANSPORTATION FUND | | TOTALS | |
|------------------------------------------------------------------------|------------------------------------|------------|-----------------------------------------|------------|------------|------------|
| | 2020 | 2019 | 2020 | 2019 | 2020 | 2019 |
| ASSETS | | | | | | |
| Current Assets: | | | | | | |
| Cash and cash equivalents | \$ 3,815 | \$ 4,230 | \$ - | \$ - | \$ 3,815 | \$ 4,230 |
| Equity in Common Cash | 54,938 | 50,983 | 194,924 | 206,613 | 249,861 | 257,596 |
| Taxes, interest, and penalties (at net) | 132,251 | 139,362 | - | - | 132,251 | 139,362 |
| Other funds | - | - | 69,145 | 44,434 | 69,145 | 44,434 |
| Component Units | - | - | - | - | - | - |
| Federal aid | - | - | 29,021 | 16,822 | 29,021 | 16,822 |
| Local units | - | - | 610 | 2,381 | 610 | 2,381 |
| Inventories | - | - | - | - | - | - |
| Other Current Assets | 8,634 | 2,481 | 15,239 | 535 | 23,873 | 3,016 |
| Total Current Assets | 199,637 | 197,055 | 308,938 | 270,785 | 508,576 | 467,841 |
| Noncurrent Assets: | | | | | | |
| Receivables: | | | | | | |
| Taxes | 3,314 | 3,595 | - | - | 3,314 | 3,595 |
| Federal aid | - | - | - | - | - | - |
| Local units | - | - | - | - | - | - |
| Advances to other funds | - | - | - | - | - | - |
| Land contracts | - | - | - | - | - | - |
| Miscellaneous | - | - | - | - | - | - |
| Total Noncurrent Assets | 3,314 | 3,595 | - | - | 3,314 | 3,595 |
| Total Assets | \$ 202,951 | \$ 200,650 | \$ 308,938 | \$ 270,785 | \$ 511,890 | \$ 471,435 |
| LIABILITIES AND FUND BALANCES | | | | | | |
| Current Liabilities: | | | | | | |
| Warrants outstanding | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Accounts Payable and Other Liabilities | 169,057 | 170,320 | 85,240 | 49,396 | 254,297 | 219,716 |
| Contract reserve payable | - | - | - | - | - | - |
| Amounts due to other funds | 20,990 | 18,385 | 136 | 126 | 21,126 | 18,511 |
| Amounts held for others | - | - | - | - | - | - |
| Unearned revenue | - | 1 | 72 | 282 | 72 | 282 |
| Total Current Liabilities | 190,047 | 188,705 | 85,447 | 49,804 | 275,494 | 238,509 |
| Long-Term Liabilities: | | | | | | |
| Unearned revenue | - | - | 2 | 4 | 2 | 4 |
| Total Long-Term Liabilities | - | - | 2 | 4 | 2 | 4 |
| Total Liabilities | 190,047 | 188,705 | 85,450 | 49,808 | 275,497 | 238,513 |
| DEFERRED INFLOWS OF RESOURCES | 12,904 | 11,945 | - | - | 12,904 | 11,945 |
| Fund Balances: | | | | | | |
| Nonspendable | - | - | - | - | - | - |
| Restricted | - | - | 223,489 | 220,978 | 223,489 | 220,978 |
| Committed | - | - | - | - | - | - |
| Assigned | - | - | - | - | - | - |
| Total Fund Balances | - | - | 223,489 | 220,978 | 223,489 | 220,978 |
| Total Liabilities, Deferred Inflows of Resources, and Fund Balances | \$ 202,951 | \$ 200,650 | \$ 308,938 | \$ 270,785 | \$ 511,890 | \$ 471,435 |

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

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
SPECIAL REVENUE FUNDS
FISCAL YEARS ENDED SEPTEMBER 30, 2020 and 2019
(In Thousands)

| | MICHIGAN TRANSPORTATION FUND | | COMPREHENSIVE TRANSPORTATION FUND | | TOTALS | |
|------------------------------------------------------------------------------|------------------------------------|--------------------|-----------------------------------------|-------------------|--------------------|--------------------|
| | 2020 | 2019 | 2020 | 2019 | 2020 | 2019 |
| REVENUES | | | | | | |
| Taxes | \$ 3,131,465 | \$ 3,078,258 | \$ 90,066 | \$ 96,851 | \$ 3,221,531 | \$ 3,175,109 |
| Federal aid | - | - | 75,257 | 38,764 | 75,257 | 38,764 |
| Local participation | - | - | - | - | - | - |
| Services | 4,526 | 4,294 | - | - | 4,526 | 4,294 |
| License and permits | 30,900 | 37,033 | 254 | 317 | 31,154 | 37,350 |
| Interest earnings on common cash | 2,640 | 4,146 | 2,197 | 4,046 | 4,837 | 8,192 |
| Non-operating revenue-bridges | - | - | - | - | - | - |
| Miscellaneous | 280 | 1,012 | 11,852 | 10,782 | 12,132 | 11,794 |
| Total Revenues | <u>3,169,811</u> | <u>3,124,744</u> | <u>179,625</u> | <u>150,760</u> | <u>3,349,437</u> | <u>3,275,503</u> |
| EXPENDITURES | | | | | | |
| Administration and Operations: | | | | | | |
| Administration and maintenance | 4,455 | 4,387 | 27,056 | 25,506 | 31,511 | 29,893 |
| Bus operating assistance grants | - | - | 226,867 | 223,641 | 226,867 | 223,641 |
| Other grants | 1,630,517 | 1,590,036 | 145,591 | 104,386 | 1,776,108 | 1,694,423 |
| Airport development | - | - | - | - | - | - |
| Non-operating expenditures-bridges | - | - | - | - | - | - |
| Trust fund construction activity | - | - | - | - | - | - |
| Capital lease payments | - | - | - | - | - | - |
| Total Administration and Operations | <u>1,634,972</u> | <u>1,594,423</u> | <u>399,514</u> | <u>353,534</u> | <u>2,034,486</u> | <u>1,947,957</u> |
| Capital Outlay: | | | | | | |
| Roads and bridges | - | - | - | - | - | - |
| Other capital outlay | - | - | - | - | - | - |
| Total Capital Outlay | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Total Expenditures | <u>1,634,972</u> | <u>1,594,423</u> | <u>399,514</u> | <u>353,534</u> | <u>2,034,486</u> | <u>1,947,957</u> |
| Excess of Revenues Over (Under) Expenditures | <u>1,534,839</u> | <u>1,530,320</u> | <u>(219,889)</u> | <u>(202,774)</u> | <u>1,314,951</u> | <u>1,327,546</u> |
| OTHER FINANCING SOURCES | | | | | | |
| Capital Lease Acquisitions | - | - | - | - | - | - |
| Proceeds from sale of capital assets | - | - | 16 | - | 16 | - |
| Michigan transportation fund distribution | - | - | 240,424 | 254,029 | 240,424 | 254,029 |
| Grants and transfers from other funds | - | - | 1,425 | 1,364 | 1,425 | 1,364 |
| Proceeds from bonds and notes issued | - | - | - | - | - | - |
| Premium on bonds issued | - | - | - | - | - | - |
| Total Other Financing Sources | <u>-</u> | <u>-</u> | <u>241,865</u> | <u>255,393</u> | <u>241,865</u> | <u>255,393</u> |
| OTHER FINANCING USES | | | | | | |
| Michigan transportation fund distribution | 1,300,079 | 1,291,072 | - | - | 1,300,079 | 1,291,072 |
| Grants and transfers to other funds | 234,760 | 239,249 | 366 | 171 | 235,126 | 239,419 |
| Discount on bonds issued | - | - | - | - | - | - |
| Debt service | - | - | 10,896 | 19,401 | 10,896 | 19,401 |
| Total Other Financing Uses | <u>1,534,839</u> | <u>1,530,320</u> | <u>11,262</u> | <u>19,572</u> | <u>1,546,101</u> | <u>1,549,892</u> |
| Excess of Other Financing Sources Over (Under) Other Financing Uses | <u>(1,534,839)</u> | <u>(1,530,320)</u> | <u>230,602</u> | <u>235,820</u> | <u>(1,304,237)</u> | <u>(1,294,500)</u> |
| Excess of Revenue and Other Sources Over (Under) Expenditures and Other Uses | - | - | 10,714 | 33,047 | 10,714 | 33,047 |
| Fund balances-Beginning of fiscal year | Note 1 - | - | 212,775 | 187,931 | 212,775 | 187,931 |
| Fund balances-End of fiscal year | \$ <u>-</u> | \$ <u>-</u> | \$ <u>223,489</u> | \$ <u>220,978</u> | \$ <u>223,489</u> | \$ <u>220,978</u> |

Note 1 The beginning fund balance for the Comprehensive Transportation Fund was restated in FY20 due to the MRLap program being reclassified from the Combined Comprehensive Transportation Bond Proceeds Fund.

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

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, 2020
(In Thousands)

| | MICHIGAN TRANSPORTATION FUND | | |
|---------------------------------------------------------------------------------------------------------------------|------------------------------|--------------|----------------------------------------|
| (Statutory/Budgetary Basis) | BUDGET | ACTUAL | VARIANCE FAVORABLE (UNFAVORABLE) |
| REVENUES | | | |
| Taxes | \$ 3,131,465 | \$ 3,131,465 | \$ - |
| Federal aid | - | - | - |
| Local participation | - | - | - |
| Services | 4,526 | 4,526 | - |
| License and permits | 30,900 | 30,900 | - |
| Interest earnings | 2,640 | 2,640 | - |
| Non-operating revenue-bridges | - | - | - |
| Miscellaneous and Service revenue | 280 | 280 | - |
| Total Revenues | 3,169,811 | 3,169,811 | - |
| EXPENDITURES AND ENCUMBRANCES | | | |
| Administration | 4,468 | 4,431 | 37 |
| Bus operating assistance grants | - | - | - |
| Other grants | 1,735,248 | 1,630,517 | 104,731 |
| Airport development | - | - | - |
| Nonoperating expenditure-bridges | - | - | - |
| Total Administration and Operations | 1,739,716 | 1,634,948 | 104,768 |
| Roads and bridges | - | - | - |
| Other capital outlay | - | - | - |
| Total Capital Outlay | - | - | - |
| Total Expenditures and Encumbrances | 1,739,716 | 1,634,948 | 104,768 |
| Excess of Revenue Over(Under) Expenditures and Encumbrances | 1,430,095 | 1,534,863 | 104,768 |
| OTHER FINANCING SOURCES | | | |
| Proceeds from sale of capital assets | - | - | - |
| Michigan transportation fund distribution | - | - | - |
| Grants and transfers from other funds | - | - | - |
| Total Financing Sources | - | - | - |
| OTHER FINANCING USES | | | |
| Michigan transportation fund distribution | 1,393,340 | 1,300,103 | 93,237 |
| Grants and transfers to other funds | 241,967 | 234,760 | 7,207 |
| Discount on bonds issued | - | - | - |
| Debt service | - | - | - |
| Total Financing Uses | 1,635,307 | 1,534,863 | 100,444 |
| Excess Other Financial Sources Over(Under) Other Financial Uses | (1,635,307) | (1,534,863) | 100,444 |
| Excess of Revenue and Other Financial Sources Over(Under) Expenditures, Encumbrances and Other Financial Uses | \$ (205,212) | \$ - | \$ 205,212 |
| RECONCILING ITEMS | | | |
| Encumbrances at September 30 | | - | |
| Funds not annually budgeted | | - | |
| Net Reconciling Items | | - | |
| Excess of Revenue and Other Financial Sources Over(Under) Expenditures and Other Financial Uses (GAAP Basis) | | - | |
| FUND BALANCES (GAAP BASIS) | | | |
| Beginning balance | | - | |
| Ending balances (GAAP Basis) | | \$ - | |

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

| COMPREHENSIVE TRANSPORTATION FUND | | | TOTALS | | |
|-----------------------------------|--------------|----------------------------------------|-------------|--------------|----------------------------------------|
| BUDGET | ACTUAL | VARIANCE FAVORABLE (UNFAVORABLE) | BUDGET | ACTUAL | VARIANCE FAVORABLE (UNFAVORABLE) |
| \$ 90,066 | \$ 90,066 | \$ - | 3,221,531 | \$ 3,221,531 | \$ - |
| 75,257 | 75,257 | - | 75,257 | 75,257 | - |
| - | - | - | - | - | - |
| - | - | - | 4,526 | 4,526 | - |
| 254 | 254 | - | 31,154 | 31,154 | - |
| 2,197 | 2,197 | - | 4,837 | 4,837 | - |
| - | - | - | - | - | - |
| 11,852 | 11,852 | - | 12,132 | 12,132 | - |
| 179,625 | 179,625 | - | 3,349,437 | 3,349,437 | - |
| 37,427 | 34,399 | 3,028 | 41,895 | 38,830 | 3,066 |
| 229,273 | 228,483 | 789 | 229,273 | 228,483 | 789 |
| 301,960 | 280,311 | 21,649 | 2,037,208 | 1,910,828 | 126,380 |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| 568,660 | 543,193 | 25,467 | 2,308,376 | 2,178,141 | 130,235 |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| 568,660 | 543,193 | 25,467 | 2,308,376 | 2,178,141 | 130,235 |
| (389,034) | (363,567) | 25,467 | 1,041,061 | 1,171,296 | 130,235 |
| 16 | 16 | - | 16 | 16 | - |
| 240,424 | 240,424 | - | 240,424 | 240,424 | - |
| 1,425 | 1,425 | - | 1,425 | 1,425 | - |
| 241,865 | 241,865 | - | 241,865 | 241,865 | - |
| - | - | - | 1,393,340 | 1,300,103 | 93,237 |
| 250 | 168 | 82 | 242,217 | 234,928 | 7,289 |
| - | - | - | - | - | - |
| 10,896 | 10,896 | - | 10,896 | 10,896 | - |
| 11,146 | 11,064 | 82 | 1,646,453 | 1,545,927 | 100,526 |
| 230,719 | 230,801 | 82 | (1,404,589) | (1,304,062) | 100,526 |
| \$ (158,315) | \$ (132,766) | \$ 25,549 | (363,528) | \$ (132,766) | \$ 230,761 |
| | 143,480 | | | \$ 143,480 | |
| | - | | | \$ - | |
| | 143,480 | | | \$ 143,480 | |
| | 10,714 | | | \$ 10,714 | |
| | 212,775 | | | \$ 212,775 | |
| \$ 223,489 | \$ 223,489 | | | \$ 223,489 | |

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, 2019
(In Thousands)

| | MICHIGAN TRANSPORTATION FUND | | |
|---------------------------------------------------------------------------------------------------------------------|------------------------------|--------------|----------------------------------------|
| (Statutory/Budgetary Basis) | BUDGET | ACTUAL | VARIANCE FAVORABLE (UNFAVORABLE) |
| REVENUES | | | |
| Taxes | \$ 3,078,258 | \$ 3,078,258 | \$ - |
| Federal aid | - | - | - |
| Local participation | - | - | - |
| Services | 4,294 | 4,294 | - |
| License and permits | 37,033 | 37,033 | - |
| Interest earnings | 4,146 | 4,146 | - |
| Non-operating revenue-bridges | - | - | - |
| Miscellaneous and Service revenue | 1,012 | 1,012 | - |
| Total Revenues | 3,124,744 | 3,124,744 | - |
| EXPENDITURES AND ENCUMBRANCES | | | |
| Administration | 4,437 | 4,372 | 65 |
| Bus operating assistance grants | - | - | - |
| Other grants | 1,590,036 | 1,590,036 | - |
| Airport development | - | - | - |
| Nonoperating expenditure-bridges | - | - | - |
| Total Administration and Operations | 1,594,474 | 1,594,409 | 65 |
| Roads and bridges | - | - | - |
| Other capital outlay | - | - | - |
| Total Capital Outlay | - | - | - |
| Total Expenditures and Encumbrances | 1,594,474 | 1,594,409 | 65 |
| Excess of Revenue Over(Under) Expenditures and Encumbrances | 1,530,270 | 1,530,335 | 65 |
| OTHER FINANCING SOURCES | | | |
| Michigan transportation fund distribution | - | - | - |
| Grants and transfers from other funds | - | - | - |
| Proceeds of sale of capital assets | - | - | - |
| Total Financing Sources | - | - | - |
| OTHER FINANCING USES | | | |
| Michigan transportation fund distribution | 1,291,087 | 1,291,086 | - |
| Grants and transfers to other funds | 240,074 | 239,249 | 825 |
| Discount on bonds issued | - | - | - |
| Debt service | - | - | - |
| Total Financing Uses | 1,531,161 | 1,530,335 | 825 |
| Excess Other Financial Sources Over(Under) Other Financial Uses | (1,531,161) | (1,530,335) | 825 |
| Excess of Revenue and Other Financial Sources Over(Under) Expenditures, Encumbrances and Other Financial Uses | \$ (890) | \$ - | \$ 890 |
| RECONCILING ITEMS | | | |
| Encumbrances at September 30 | | - | |
| Funds not annually budgeted | | - | |
| Net Reconciling Items | | - | |
| Excess of Revenue and Other Financial Sources Over(Under) Expenditures and Other Financial Uses (GAAP Basis) | | - | |
| FUND BALANCES (GAAP BASIS) | | | |
| Beginning balance | | - | |
| Ending balances (GAAP Basis) | | \$ - | |

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

| COMPREHENSIVE TRANSPORTATION FUND | | | TOTALS | | |
|-----------------------------------|--------------|----------------------------------------|-------------|--------------|----------------------------------------|
| BUDGET | ACTUAL | VARIANCE FAVORABLE (UNFAVORABLE) | BUDGET | ACTUAL | VARIANCE FAVORABLE (UNFAVORABLE) |
| \$ 96,851 | \$ 96,851 | \$ - | 3,175,109 | \$ 3,175,109 | \$ - |
| 38,764 | 38,764 | - | 38,764 | 38,764 | - |
| - | - | - | - | - | - |
| - | - | - | 4,294 | 4,294 | - |
| 317 | 317 | - | 37,350 | 37,350 | - |
| 4,046 | 4,046 | - | 8,192 | 8,192 | - |
| - | - | - | - | - | - |
| 10,782 | 10,782 | - | 11,794 | 11,794 | - |
| 150,760 | 150,760 | - | 3,275,503 | 3,275,503 | - |
| 30,412 | 27,142 | 3,270 | 34,849 | 31,514 | 3,335 |
| 225,269 | 225,249 | 20 | 225,269 | 225,249 | 20 |
| 253,697 | 250,911 | 2,786 | 1,843,733 | 1,840,947 | 2,786 |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| 509,378 | 503,302 | 6,076 | 2,103,852 | 2,097,711 | 6,141 |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| 509,378 | 503,302 | 6,076 | 2,103,852 | 2,097,711 | 6,141 |
| (358,619) | (352,542) | 6,076 | 1,171,652 | 1,177,793 | 6,141 |
| - | - | - | - | - | - |
| 254,029 | 254,029 | - | 254,029 | 254,029 | - |
| 1,364 | 1,364 | - | 1,364 | 1,364 | - |
| - | - | - | - | - | - |
| 255,393 | 255,393 | - | 255,393 | 255,393 | - |
| - | - | - | 1,291,087 | 1,291,086 | - |
| 250 | 171 | 79 | 240,324 | 239,419 | 904 |
| - | - | - | - | - | - |
| 19,402 | 19,401 | - | 19,402 | 19,401 | - |
| 19,652 | 19,572 | 79 | 1,550,812 | 1,549,907 | 905 |
| 235,741 | 235,820 | 79 | (1,295,419) | (1,294,515) | 905 |
| \$ (122,877) | \$ (116,722) | \$ 6,155 | (123,768) | \$ (116,722) | \$ 7,046 |
| | 149,768 | | | \$ 149,768 | |
| | - | | | \$ - | |
| | 149,768 | | | \$ 149,768 | |
| | 33,047 | | | \$ 33,047 | |
| | 187,931 | | | \$ 187,931 | |
| \$ 220,978 | \$ 220,978 | | \$ 220,978 | \$ 220,978 | |

MICHIGAN DEPARTMENT OF TRANSPORTATION
DESCRIPTIONS OF CAPITAL PROJECTS FUNDS
FISCAL YEAR ENDED SEPTEMBER 30, 2020

STATE TRUNKLINE FUND

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

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

BLUE WATER BRIDGE FUND

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

STATE AERONAUTICS FUND

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

COMBINED STATE TRUNKLINE BOND PROCEEDS FUND

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

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

MICHIGAN DEPARTMENT OF TRANSPORTATION
DESCRIPTIONS OF CAPITAL PROJECTS FUNDS
FISCAL YEAR ENDED SEPTEMBER 30, 2020

COMBINED STATE TRUNKLINE BOND PROCEEDS FUND (continued)

2011 STATE TRUNKLINE FUND BOND PROCEEDS SUB FUND

This sub fund was established pursuant to Section 18(b) of Public Act 51 of 1951, as amended, to account for the proceeds of up to \$91.0 million of state trunkline bonds. The bonds are not general obligations of the State of Michigan but are payable solely out of funds restricted as to use for state trunkline purposes by Section 9 of Article IX of the Michigan Constitution and irrevocably pledged by law for deposit in the State Trunkline Fund. The proceeds are to be used to finance the construction of various trunkline transportation projects and to pay the costs of issuance of the bonds.

2020B REBUILDING MICHIGAN STATE TRUNKLINE FUND BOND PROCEEDS SUB FUND

This sub fund was established pursuant to Section 18(b) of Public Act 51 of 1951, as amended, to account for the proceeds of up to \$3.5 billion 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. As of September 30, 2020, \$800 million of the \$3.5 billion has been issued.

MICHIGAN DEPARTMENT OF TRANSPORTATION
DESCRIPTIONS OF CAPITAL PROJECTS FUNDS
FISCAL YEAR ENDED SEPTEMBER 30, 2020

COMBINED COMPREHENSIVE TRANSPORTATION BOND PROCEEDS FUND

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

2002 COMPREHENSIVE TRANSPORTATION FUND BOND PROCEEDS SUB FUND

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

2003 COMPREHENSIVE TRANSPORTATION FUND BOND PROCEEDS SUB FUND

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

2006 COMPREHENSIVE TRANSPORTATION FUND BOND PROCEEDS SUB FUND

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

MICHIGAN DEPARTMENT OF TRANSPORTATION
DESCRIPTIONS OF CAPITAL PROJECTS FUNDS
FISCAL YEAR ENDED SEPTEMBER 30, 2020

TRANSPORTATION RELATED TRUST FUND

The Michigan Department of Transportation is recognized as the legal representative of the State, including all governmental subdivisions, in the administration of the Federal Highway Administration programs. The financing accounted for in this fund consists primarily of revenues from the federal Highway Trust Fund utilized to reimburse municipalities for road and bridge program activities with very little State funds. All projects accounted for in this fund are locally owned.

MICHIGAN DEPARTMENT OF TRANSPORTATION
COMBINING BALANCE SHEET - CAPITAL PROJECTS FUNDS
 SEPTEMBER 30, 2020 and 2019
 (In Thousands)

| | STATE TRUNKLINE FUND (excluding Blue Water Bridge Fund) | | BLUE WATER BRIDGE FUND | |
|------------------------------------------------------------------------|---------------------------------------------------------------|--------------|------------------------------|-----------|
| | 2020 | 2019 | 2020 | 2019 |
| ASSETS | | | | |
| Current Assets: | | | | |
| Cash and cash equivalents | \$ 16 | \$ 17 | \$ 15 | \$ 47 |
| Equity in Common Cash | 870,993 | 780,954 | 74,754 | 76,312 |
| Taxes, interest, and penalties (at net) | - | - | - | - |
| Other funds | 16,345 | 14,316 | - | - |
| Component Units | 1,489 | 1,726 | - | - |
| Federal aid | 152,630 | 179,024 | - | - |
| Local units | 27,765 | 23,980 | - | - |
| Inventories | 15,453 | 10,380 | - | 14 |
| Other Current Assets | 12,440 | 48,041 | 741 | 103 |
| | | | | |
| Total Current Assets | 1,097,131 | 1,058,438 | 75,511 | 76,475 |
| Noncurrent Assets: | | | | |
| Receivables: | | | | |
| Taxes | - | - | - | - |
| Federal aid | - | - | - | - |
| Local units | 55,137 | 49,824 | - | - |
| Advances to other funds | - | - | - | - |
| Land contracts | - | - | - | - |
| Miscellaneous | - | - | - | - |
| | | | | |
| Total Noncurrent Assets | 55,137 | 49,824 | - | - |
| | | | | |
| Total Assets | \$ 1,152,268 | \$ 1,108,261 | \$ 75,511 | \$ 76,475 |
| | | | | |
| LIABILITIES AND FUND BALANCES | | | | |
| Current Liabilities: | | | | |
| Warrants outstanding | \$ - | \$ - | \$ - | \$ - |
| Accounts Payable and Other Liabilities | 245,225 | 260,116 | 840 | 2,761 |
| Contract reserve payable | - | - | - | - |
| Amounts due to other funds | 5,617 | 4,989 | 71 | 66 |
| Amounts held for others | - | - | - | - |
| Unearned revenue | 3,852 | 152 | 1,811 | 1,794 |
| | | | | |
| Total Current Liabilities | 254,693 | 265,257 | 2,722 | 4,622 |
| Long-Term Liabilities: | | | | |
| Unearned revenue | 84 | 87 | - | - |
| Total Long-Term Liabilities | 84 | 87 | - | - |
| | | | | |
| Total Liabilities | 254,777 | 265,344 | 2,722 | 4,622 |
| | | | | |
| DEFERRED INFLOWS OF RESOURCES | - | - | - | - |
| | | | | |
| Fund Balances: | | | | |
| Nonspendable | 15,454 | 10,380 | - | 14 |
| Restricted | 882,038 | 832,537 | 72,789 | 71,839 |
| Committed | - | - | - | - |
| Assigned | - | - | - | - |
| | | | | |
| Total Fund Balances | 897,491 | 842,918 | 72,789 | 71,853 |
| | | | | |
| Total Liabilities, Deferred Inflows of Resources, and Fund Balances | \$ 1,152,268 | \$ 1,108,261 | \$ 75,511 | \$ 76,475 |

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

| STATE AERONAUTICS FUND | | COMBINED TRUNKLINE FUND BOND PROCEEDS FUND | | COMBINED COMPREHENSIVE TRANSPORTATION BOND PROCEEDS FUND | |
|------------------------------|------------------|-----------------------------------------------------|-------------------|----------------------------------------------------------------------|-----------------|
| 2020 | 2019 | 2020 | 2019 | 2020 | 2019 |
| \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| 11,494 | 10,042 | 1,044,035 | 89,006 | 3,964 | 3,253 |
| 251 | 533 | - | - | - | - |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| 70,315 | 23,622 | 62,457 | 30,128 | - | - |
| 72 | 38 | 0 | 0 | 30 | - |
| - | - | - | - | - | - |
| 31 | 55 | - | - | - | - |
| <u>82,163</u> | <u>34,290</u> | <u>1,106,492</u> | <u>119,134</u> | <u>3,994</u> | <u>3,253</u> |
| 3 | 18 | - | - | - | - |
| - | - | - | - | - | - |
| 204 | 46 | - | - | 270 | - |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| <u>207</u> | <u>64</u> | <u>-</u> | <u>-</u> | <u>270</u> | <u>-</u> |
| \$ <u>82,370</u> | \$ <u>34,355</u> | \$ <u>1,106,492</u> | \$ <u>119,134</u> | \$ <u>4,264</u> | \$ <u>3,253</u> |
| \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| 65,708 | 18,026 | 6,464 | 0 | - | 153 |
| - | - | - | - | - | - |
| 94 | 82 | - | - | - | - |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| <u>65,803</u> | <u>18,108</u> | <u>6,464</u> | <u>0</u> | <u>-</u> | <u>153</u> |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| <u>65,803</u> | <u>18,108</u> | <u>6,464</u> | <u>0</u> | <u>-</u> | <u>153</u> |
| <u>6</u> | <u>21</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| - | - | - | - | - | - |
| 16,561 | 16,226 | 1,100,028 | 119,134 | 4,264 | 3,100 |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| <u>16,561</u> | <u>16,226</u> | <u>1,100,028</u> | <u>119,134</u> | <u>4,264</u> | <u>3,100</u> |
| \$ <u>82,370</u> | \$ <u>34,355</u> | \$ <u>1,106,492</u> | \$ <u>119,134</u> | \$ <u>4,264</u> | \$ <u>3,253</u> |

| ASSETS | TRANSPORTATION RELATED TRUST FUND | | TOTALS | |
|------------------------------------------------------------------------|-----------------------------------------|------------|--------------|--------------|
| | 2020 | 2019 | 2020 | 2019 |
| Current Assets: | | | | |
| Cash and cash equivalents | \$ - | \$ - | \$ 31 | \$ 64 |
| Equity in Common Cash | - | - | 2,005,240 | 959,567 |
| Taxes, interest, and penalties (at net) | - | - | 251 | 533 |
| Other funds | - | - | 16,345 | 14,316 |
| Component Units | - | - | 1,489 | 1,726 |
| Federal aid | 42,238 | 38,937 | 327,641 | 271,711 |
| Local units | 93,461 | 69,622 | 121,329 | 93,640 |
| Inventories | - | - | 15,453 | 10,394 |
| Other Current Assets | - | - | 13,212 | 48,199 |
| Total Current Assets | 135,700 | 108,559 | 2,500,992 | 1,400,149 |
| Noncurrent Assets: | | | | |
| Receivables: | | | | |
| Taxes | - | - | 3 | 18 |
| Federal aid | - | - | - | - |
| Local units | - | - | 55,611 | 49,870 |
| Advances to other funds | - | - | - | - |
| Land contracts | - | - | - | - |
| Miscellaneous | - | - | - | - |
| Total Noncurrent Assets | - | - | 55,613 | 49,888 |
| Total Assets | \$ 135,700 | \$ 108,559 | \$ 2,556,606 | \$ 1,450,037 |
| LIABILITIES AND FUND BALANCES | | | | |
| Current Liabilities: | | | | |
| Warrants outstanding | \$ - | \$ - | \$ - | \$ - |
| Accounts Payable and Other Liabilities | 71,199 | 68,193 | 389,436 | 349,249 |
| Contract reserve payable | - | - | - | - |
| Amounts due to other funds | 64,500 | 40,366 | 70,282 | 45,503 |
| Amounts held for others | - | - | - | - |
| Unearned revenue | - | - | 5,663 | 1,947 |
| Total Current Liabilities | 135,700 | 108,559 | 465,381 | 396,699 |
| Long-Term Liabilities: | | | | |
| Unearned revenue | - | - | 84 | 87 |
| Total Long-Term Liabilities | - | - | 84 | 87 |
| Total Liabilities | 135,700 | 108,559 | 465,465 | 396,785 |
| DEFERRED INFLOWS OF RESOURCES | - | - | 6 | 21 |
| Fund Balances: | | | | |
| Nonspendable | - | - | 15,454 | 10,394 |
| Restricted | - | - | 2,075,681 | 1,042,837 |
| Committed | - | - | - | - |
| Assigned | - | - | - | - |
| Total Fund Balances | - | - | 2,091,134 | 1,053,231 |
| Total Liabilities, Deferred Inflows of Resources, and Fund Balances | \$ 135,700 | \$ 108,559 | \$ 2,556,606 | \$ 1,450,037 |



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**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
CAPITAL PROJECT FUNDS**

FISCAL YEARS ENDED SEPTEMBER 30, 2020 and 2019
(In Thousands)

| | STATE TRUNKLINE FUND (excluding Blue Water Bridge Fund) | | BLUE WATER BRIDGE FUND | |
|------------------------------------------------------------------------------|---------------------------------------------------------------|--------------------|------------------------------|------------------|
| | 2020 | 2019 | 2020 | 2019 |
| REVENUES | | | | |
| Taxes | \$ - | \$ - | \$ - | \$ - |
| Federal aid | 967,360 | 855,308 | - | - |
| Local participation | 20,687 | 17,032 | - | - |
| Services | 3,161 | 3,305 | - | - |
| License and permits | 6,901 | 17,300 | - | - |
| Interest earnings on common cash | 6,612 | 12,641 | 828 | 1,705 |
| Non-operating revenue-bridges | 4,127 | 4,075 | - | - |
| Miscellaneous | 70,193 | 130,475 | 17,037 | 20,964 |
| Total Revenues | <u>1,079,042</u> | <u>1,040,136</u> | <u>17,866</u> | <u>22,668</u> |
| EXPENDITURES | | | | |
| Administration and Operations: | | | | |
| Administration and maintenance | 629,344 | 608,409 | 6,126 | 6,358 |
| Other grants | 141,415 | 127,321 | - | - |
| Airport development | - | - | - | - |
| Non-operating expenditures-bridges | 3,919 | 3,871 | - | - |
| Trust fund construction activity | - | - | - | - |
| Capital lease payments | 21,656 | 587 | - | - |
| Total Administration and Operations | <u>796,333</u> | <u>740,188</u> | <u>6,126</u> | <u>6,358</u> |
| Capital Outlay: | | | | |
| Roads and bridges | 1,560,916 | 1,323,480 | 3,844 | 8,779 |
| Other capital outlay | 2,577 | 3,721 | - | - |
| Total Capital Outlay | <u>1,563,493</u> | <u>1,327,201</u> | <u>3,844</u> | <u>8,779</u> |
| Total Expenditures | <u>2,359,827</u> | <u>2,067,389</u> | <u>9,970</u> | <u>15,137</u> |
| Excess of Revenues Over (Under) Expenditures | <u>(1,280,785)</u> | <u>(1,027,254)</u> | <u>7,896</u> | <u>7,531</u> |
| OTHER FINANCING SOURCES | | | | |
| Capital Lease Acquisitions | 205,902 | 514 | - | - |
| Proceeds from sale of capital assets | 206 | 660 | - | - |
| Michigan transportation fund distribution | 1,059,655 | 1,037,043 | - | - |
| Grants and transfers from other funds | 272,782 | 229,466 | - | - |
| Proceeds from bonds and notes issued | - | - | - | - |
| Premium on bonds issued | - | - | - | - |
| Total Other Financing Sources | <u>1,538,546</u> | <u>1,267,683</u> | <u>-</u> | <u>-</u> |
| OTHER FINANCING USES | | | | |
| Grants and transfers to other funds | 10,508 | 5,411 | 73 | 71 |
| Discount on bonds issued | - | - | - | - |
| Debt service | 192,679 | 189,491 | 6,886 | 7,106 |
| Total Other Financing Uses | <u>203,187</u> | <u>194,902</u> | <u>6,960</u> | <u>7,177</u> |
| Excess of Other Financing Sources Over (Under) Other Financing Uses | <u>1,335,359</u> | <u>1,072,781</u> | <u>(6,960)</u> | <u>(7,177)</u> |
| Excess of Revenue and Other Sources Over (Under) Expenditures and Other Uses | 54,574 | 45,527 | 936 | 354 |
| Fund balances-Beginning of fiscal year | Note 1 842,918 | 797,390 | 71,853 | 71,499 |
| Fund balances-End of fiscal year | \$ <u>897,491</u> | \$ <u>842,918</u> | \$ <u>72,789</u> | \$ <u>71,853</u> |

Note 1 The beginning fund balance for the Combined Comprehensive Transportation Bond Proceeds Fund was restated in FY20 due to the MiRLap program being reclassified to the Comprehensive Transportation Fund.

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

| STATE AERONAUTICS FUND | | COMBINED TRUNKLINE FUND BOND PROCEEDS FUND | | COMBINED COMPREHENSIVE TRANSPORTATION BOND PROCEEDS FUND | |
|------------------------------|-----------|-----------------------------------------------------|------------|----------------------------------------------------------------------|----------|
| 2020 | 2019 | 2020 | 2019 | 2020 | 2019 |
| \$ 13,933 | \$ 15,579 | \$ - | \$ - | \$ - | \$ - |
| 233,913 | 67,148 | 80,331 | 32,814 | - | - |
| 174 | 4 | - | - | - | - |
| 280 | 511 | - | - | - | - |
| 418 | 505 | - | - | - | - |
| - | - | 879 | 3,109 | 24 | 85 |
| - | - | - | - | - | - |
| 670 | 7,646 | - | - | 6 | 1,179 |
| 249,389 | 91,392 | 81,210 | 35,924 | 30 | 1,264 |
| 6,992 | 7,409 | 47 | - | 1,909 | 1,179 |
| 138,863 | - | - | - | 2,978 | 1,464 |
| 105,459 | 82,032 | - | - | - | - |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| 251,315 | 89,441 | 47 | - | 4,886 | 2,644 |
| - | - | 36,419 | 1 | - | - |
| 192 | 359 | - | - | 2,380 | - |
| 192 | 359 | 36,419 | 1 | 2,380 | - |
| 251,507 | 89,800 | 36,467 | 1 | 7,267 | 2,644 |
| (2,118) | 1,592 | 44,743 | 35,923 | (7,236) | (1,380) |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| 6,000 | 6,000 | - | - | 198 | - |
| - | - | 800,000 | - | - | - |
| - | - | 217,306 | - | - | - |
| 6,000 | 6,000 | 1,017,306 | - | 198 | - |
| 111 | 112 | 81,155 | 35,863 | - | - |
| - | - | - | - | - | - |
| 3,436 | 3,438 | - | - | - | - |
| 3,547 | 3,550 | 81,155 | 35,863 | - | - |
| 2,453 | 2,450 | 936,151 | (35,863) | 198 | - |
| 335 | 4,043 | 980,894 | 60 | (7,038) | (1,380) |
| 16,226 | 12,183 | 119,134 | 119,075 | 11,302 | 4,480 |
| \$ 16,561 | \$ 16,226 | \$ 1,100,028 | \$ 119,134 | \$ 4,264 | \$ 3,100 |

| | TRANSPORTATION RELATED TRUST FUND | | TOTALS | |
|---------------------------------------------------------------------------------|-----------------------------------------|---------|--------------|--------------|
| | 2020 | 2019 | 2020 | 2019 |
| REVENUES | | | | |
| Taxes | \$ - | \$ - | \$ 13,933 | \$ 15,579 |
| Federal aid | 345,170 | 268,384 | 1,626,774 | 1,223,655 |
| Local participation | - | 416 | 20,862 | 17,453 |
| Services | - | - | 3,442 | 3,816 |
| License and permits | - | - | 7,320 | 17,804 |
| Interest earnings on common cash | - | - | 8,344 | 17,540 |
| Non-operating revenue-bridges | - | - | 4,127 | 4,075 |
| Miscellaneous | 892 | 814 | 88,798 | 161,078 |
| Total Revenues | 346,062 | 269,615 | 1,773,598 | 1,460,999 |
| EXPENDITURES | | | | |
| Administration and Operations: | | | | |
| Administration and maintenance | - | - | 644,418 | 623,355 |
| Other grants | - | - | 283,256 | 128,785 |
| Airport development | - | - | 105,459 | 82,032 |
| Non-operating expenditures-bridges | - | - | 3,919 | 3,871 |
| Trust fund construction activity | 346,062 | 269,615 | 346,062 | 269,615 |
| Capital lease payments | - | - | 21,656 | 587 |
| Total Administration and Operations | 346,062 | 269,615 | 1,404,769 | 1,108,246 |
| Capital Outlay: | | | | |
| Roads and bridges | - | - | 1,601,180 | 1,332,260 |
| Other capital outlay | - | - | 5,149 | 4,080 |
| Total Capital Outlay | - | - | 1,606,329 | 1,336,340 |
| Total Expenditures | 346,062 | 269,615 | 3,011,099 | 2,444,586 |
| Excess of Revenues Over (Under) Expenditures | - | - | (1,237,500) | (983,587) |
| OTHER FINANCING SOURCES | | | | |
| Capital Lease Acquisitions | - | - | 205,902 | 514 |
| Proceeds from sale of capital assets | - | - | 206 | 660 |
| Michigan transportation fund distribution | - | - | 1,059,655 | 1,037,043 |
| Grants and transfers from other funds | - | - | 278,981 | 235,466 |
| Proceeds from bonds and notes issued | - | - | 800,000 | - |
| Premium on bonds issued | - | - | 217,306 | - |
| Total Other Financing Sources | - | - | 2,562,050 | 1,273,683 |
| OTHER FINANCING USES | | | | |
| Grants and transfers to other funds | - | - | 91,847 | 41,457 |
| Discount on bonds issued | - | - | - | - |
| Debt service | - | - | 203,001 | 200,035 |
| Total Other Financing Uses | - | - | 294,848 | 241,492 |
| Excess of Other Financing Sources Over (Under) Other Financing Uses | - | - | 2,267,202 | 1,032,191 |
| Excess of Revenue and Other Sources Over (Under) Expenditures and Other Uses | - | - | 1,029,701 | 48,603 |
| Fund balances-Beginning of fiscal year | - | - | 1,061,433 | 1,004,627 |
| Fund balances-End of fiscal year | \$ - | \$ - | \$ 2,091,134 | \$ 1,053,231 |



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MICHIGAN DEPARTMENT OF TRANSPORTATION
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
CAPITAL PROJECTS FUNDS
FISCAL YEAR ENDED SEPTEMBER 30, 2020
(In Thousands)

| (Statutory/Budgetary Basis) | STATE TRUNKLINE FUND (excluding Blue Water Bridge Fund) | | |
|---------------------------------------------------------------------------------------------------------------|------------------------------------------------------------|-------------|----------------------------------------|
| | BUDGET | ACTUAL | VARIANCE FAVORABLE (UNFAVORABLE) |
| REVENUES | | | |
| Taxes | \$ - | \$ - | \$ - |
| Federal aid | 967,360 | 967,360 | - |
| Local participation | 20,687 | 20,687 | - |
| Services | 3,161 | 3,161 | - |
| License and permits | 6,901 | 6,901 | - |
| Interest earnings | 6,612 | 6,612 | - |
| Non-operating revenue-bridges | 4,127 | 4,127 | - |
| Miscellaneous and Service revenue | 70,193 | 70,193 | - |
| Total Revenues | 1,079,042 | 1,079,042 | - |
| EXPENDITURES AND ENCUMBRANCES | | | |
| Administration | 752,997 | 666,172 | 86,825 |
| Other grants | 146,430 | 130,908 | 15,522 |
| Airport development | - | - | - |
| Nonoperating expenditure-bridges | 4,127 | 4,127 | - |
| Total Administration and Operations | 903,554 | 801,207 | 102,347 |
| Roads and bridges | 1,533,893 | 1,487,576 | 46,317 |
| Other capital outlay | 4,777 | 4,777 | - |
| Total Capital Outlay | 1,538,670 | 1,492,352 | 46,317 |
| Total Expenditures and Encumbrances | 2,442,224 | 2,293,559 | 148,665 |
| Excess of Revenue Over(Under) Expenditures and Encumbrances | (1,363,182) | (1,214,517) | 148,665 |
| OTHER FINANCING SOURCES | | | |
| Capital Lease Acquisitions | - | - | - |
| Proceeds of sale of capital assets | 206 | 206 | - |
| Michigan transportation fund distribution | 1,059,655 | 1,059,655 | - |
| Grants and transfers from other funds | 272,782 | 272,782 | - |
| Proceeds from bonds and notes issued | - | - | - |
| Premium on bonds issued | - | - | - |
| Total Financing Sources | 1,332,644 | 1,332,644 | - |
| OTHER FINANCING USES | | | |
| Grants and transfers to other funds | 10,508 | 10,508 | - |
| Discount on bonds issued | - | - | - |
| Debt service | 192,679 | 192,679 | - |
| Total Financing Uses | 203,187 | 203,187 | - |
| Excess Other Financial Sources Over(Under) Other Financial Uses | 1,129,457 | 1,129,457 | - |
| Excess of Revenue and Other Financial Sources Over(Under) Expenditures, Encumbrances and Other Financial Uses | \$ (233,725) | (85,060) | \$ 148,665 |
| RECONCILING ITEMS | | | |
| Encumbrances at September 30 | | 139,634 | |
| Funds not annually budgeted | | - | |
| Net Reconciling Items | | 139,634 | |
| Excess of Revenue and Other Financial Sources Over(Under) Expenditures and Other Financial Uses (GAAP Basis) | | 54,574 | |
| FUND BALANCES (GAAP BASIS) | | | |
| Beginning balance - Restated | | 842,918 | |
| Ending balances (GAAP Basis) | | \$ 897,491 | |

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

| BLUE WATER BRIDGE FUND | | | STATE AERONAUTICS FUND | | |
|------------------------|------------|----------------------------------------|------------------------|------------|----------------------------------------|
| BUDGET | ACTUAL | VARIANCE FAVORABLE (UNFAVORABLE) | BUDGET | ACTUAL | VARIANCE FAVORABLE (UNFAVORABLE) |
| \$ - | \$ - | \$ - | \$ 13,933 | \$ 13,933 | \$ - |
| - | - | - | 233,913 | 233,913 | - |
| - | - | - | 174 | 174 | - |
| - | - | - | 280 | 280 | - |
| - | - | - | 418 | 418 | - |
| 828 | 828 | - | - | - | - |
| - | - | - | - | - | - |
| 17,037 | 17,037 | - | 670 | 670 | - |
| 17,866 | 17,866 | - | 249,389 | 249,389 | - |
| 6,716 | 6,126 | 591 | 8,818 | 6,964 | 1,854 |
| - | - | - | 138,863 | 138,863 | - |
| - | - | - | 108,719 | 107,294 | 1,425 |
| - | - | - | - | - | - |
| 6,716 | 6,126 | 591 | 256,400 | 253,122 | 3,279 |
| 14,983 | 6,531 | 8,452 | - | - | - |
| - | - | - | 217 | 217 | - |
| 14,983 | 6,531 | 8,452 | 217 | 217 | - |
| 21,699 | 12,657 | 9,043 | 256,617 | 253,338 | 3,279 |
| - | - | - | - | - | - |
| (3,833) | 5,209 | 9,043 | (7,228) | (3,949) | 3,279 |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| - | - | - | 6,000 | 6,000 | - |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| - | - | - | 6,000 | 6,000 | - |
| 73 | 73 | - | 150 | 111 | 39 |
| - | - | - | - | - | - |
| 6,886 | 6,886 | - | 3,436 | 3,436 | - |
| 6,960 | 6,960 | - | 3,586 | 3,547 | 39 |
| (6,960) | (6,960) | - | 2,414 | 2,453 | 39 |
| \$ (10,793) | \$ (1,750) | \$ 9,043 | \$ (4,814) | \$ (1,496) | \$ 3,318 |
| | 2,687 | | | 1,831 | |
| | - | | | - | |
| | 2,687 | | | 1,831 | |
| | - | | | - | |
| | 936 | | | 335 | |
| | 71,853 | | | 16,226 | |
| \$ | \$ 72,789 | | \$ | \$ 16,561 | |

| | Funds not Annually Budgeted | | |
|--------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------|-------------------------------------------------------------------------|-----------------------------------------|
| (Statutory/Budgetary Basis) | COMBINED TRUNKLINE FUND BOND PROCEEDS FUND | COMBINED COMPREHENSIVE TRANSPORTATION BOND PROCEEDS FUND | TRANSPORTATION RELATED TRUST FUND |
| REVENUES | | | |
| Taxes | \$ - | \$ - | \$ - |
| Federal aid | - | - | - |
| Local participation | - | - | - |
| Services | - | - | - |
| License and permits | - | - | - |
| Interest earnings | - | - | - |
| Non-operating revenue-bridges | - | - | - |
| Miscellaneous and Service revenue | - | - | - |
| Total Revenues | - | - | - |
| EXPENDITURES AND ENCUMBRANCES | | | |
| Administration | - | - | - |
| Other grants | - | - | - |
| Airport development | - | - | - |
| Nonoperating expenditure-bridges | - | - | - |
| Total Administration and Operations | - | - | - |
| Roads and bridges | - | - | - |
| Other capital outlay | - | - | - |
| Total Capital Outlay | - | - | - |
| Total Expenditures and Encumbrances | - | - | - |
| Excess of Revenue Over(Under) Expenditures and Encumbrances | - | - | - |
| OTHER FINANCING SOURCES | | | |
| Capital Lease Acquisitions | - | - | - |
| Proceeds of sale of capital assets | - | - | - |
| Michigan transportation fund distribution | - | - | - |
| Grants and transfers from other funds | - | - | - |
| Premium on bonds issued | - | - | - |
| Total Financing Sources | - | - | - |
| OTHER FINANCING USES | | | |
| Grants and transfers to other funds | - | - | - |
| Discount on bonds issued | - | - | - |
| Debt service | - | - | - |
| Total Financing Uses | - | - | - |
| Excess Other Financial Sources Over(Under) Other Financial Uses | - | - | - |
| Excess of Revenue and Other Financial Sources Over(Under) Expenditures,Encumbrances and Other Financial Uses | - | - | - |
| RECONCILING ITEMS | | | |
| Encumbrances at September 30 | - | - | - |
| Funds not annually budgeted | 980,894 | (7,038) | - |
| Net Reconciling Items | 980,894 | (7,038) | - |
| Excess of Revenue and Other Financial Sources Over(Under)Expenditures and Other Financial Uses (GAAP Basis) | 980,894 | (7,038) | - |
| FUND BALANCES (GAAP BASIS) | | | |
| Beginning balance - Restated | 119,134 | 11,302 | - |
| Ending balances (GAAP Basis) | \$ 1,100,028 | \$ 4,264 | \$ - |

| TOTALS | | |
|--------------|--------------|----------------------------------------|
| BUDGET | ACTUAL | VARIANCE FAVORABLE (UNFAVORABLE) |
| \$ 13,933 | \$ 13,933 | \$ - |
| 1,201,273 | 1,201,273 | - |
| 20,862 | 20,862 | - |
| 3,442 | 3,442 | - |
| 7,320 | 7,320 | - |
| 7,440 | 7,440 | - |
| 4,127 | 4,127 | - |
| 87,900 | 87,900 | - |
| 1,346,296 | 1,346,296 | - |
| 768,532 | 679,262 | 89,270 |
| 285,293 | 269,771 | 15,522 |
| 108,719 | 107,294 | 1,425 |
| 4,127 | 4,127 | - |
| 1,166,671 | 1,060,454 | 106,217 |
| 1,548,876 | 1,494,107 | 54,769 |
| 4,993 | 4,993 | - |
| 1,553,869 | 1,499,100 | 54,769 |
| 2,720,540 | 2,559,554 | 160,986 |
| - | - | - |
| (1,374,244) | (1,213,258) | 160,986 |
| - | - | - |
| 206 | 206 | - |
| 1,059,655 | 1,059,655 | - |
| 278,782 | 278,782 | - |
| - | - | - |
| - | - | - |
| 1,338,644 | 1,338,644 | - |
| 10,731 | 10,692 | 39 |
| - | - | - |
| 203,001 | 203,001 | - |
| 213,732 | 213,693 | 39 |
| 1,124,912 | 1,124,951 | 39 |
| \$ (249,332) | (88,307) | \$ 161,025 |
| | 144,152 | |
| | 973,856 | |
| | 1,118,008 | |
| | - | |
| | 1,029,701 | |
| | 1,061,433 | |
| | \$ 2,091,134 | |

MICHIGAN DEPARTMENT OF TRANSPORTATION
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
CAPITAL PROJECTS FUNDS
FISCAL YEAR ENDED SEPTEMBER 30, 2019
(In Thousands)

| (Statutory/Budgetary Basis) | STATE TRUNKLINE FUND (excluding Blue Water Bridge Fund) | | |
|---------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------|-------------|----------------------------------------|
| | BUDGET | ACTUAL | VARIANCE FAVORABLE (UNFAVORABLE) |
| REVENUES | | | |
| Taxes | \$ - | \$ - | \$ - |
| Federal aid | 855,308 | 855,308 | - |
| Local participation | 17,032 | 17,032 | - |
| Services | 3,305 | 3,305 | - |
| License and permits | 17,300 | 17,300 | - |
| Interest earnings | 12,641 | 12,641 | - |
| Non-operating revenue-bridges | 4,075 | 4,075 | - |
| Miscellaneous and Service revenue | 130,475 | 130,475 | - |
| Total Revenues | 1,040,136 | 1,040,136 | - |
| EXPENDITURES AND ENCUMBRANCES | | | |
| Administration | 663,084 | 636,938 | 26,146 |
| Other grants | 174,130 | 120,466 | 53,665 |
| Airport development | - | - | - |
| Nonoperating expenditure-bridges | 4,075 | 4,075 | - |
| Total Administration and Operations | 841,290 | 761,479 | 79,810 |
| Roads and bridges | 1,393,512 | 1,393,512 | - |
| Other capital outlay | 4,761 | 4,761 | - |
| Total Capital Outlay | 1,398,272 | 1,398,272 | - |
| Total Expenditures and Encumbrances | 2,239,562 | 2,159,752 | 79,810 |
| Excess of Revenue Over(Under) Expenditures and Encumbrances | (1,199,427) | (1,119,616) | 79,810 |
| OTHER FINANCING SOURCES | | | |
| Capital Lease Acquisitions | - | - | - |
| Proceeds of sale of capital assets | 660 | 660 | - |
| Michigan transportation fund distribution | 1,037,043 | 1,037,043 | - |
| Grants and transfers from other funds | 229,466 | 229,466 | - |
| Premium on bonds issued | - | - | - |
| Total Financing Sources | 1,267,169 | 1,267,169 | - |
| OTHER FINANCING USES | | | |
| Grants and transfers to other funds | 5,411 | 5,411 | - |
| Discount on bonds issued | - | - | - |
| Debt service | 189,491 | 189,491 | - |
| Total Financing Uses | 194,902 | 194,902 | - |
| Excess Other Financial Sources Over(Under) Other Financial Uses | 1,072,267 | 1,072,267 | - |
| Excess of Revenue and Other Financial Sources Over(Under) Expenditures, Encumbrances and Other Financial Uses | \$ (127,159) | (47,349) | \$ 79,810 |
| RECONCILING ITEMS | | | |
| Encumbrances at September 30 | | 92,876 | |
| Funds not annually budgeted | | - | |
| Net Reconciling Items | | 92,876 | |
| Excess of Revenue and Other Financial Sources Over(Under) Expenditures and Other Financial Uses (GAAP Basis) | | 45,527 | |
| FUND BALANCES (GAAP BASIS) | | | |
| Beginning balance - Restated | | 797,390 | |
| Ending balances (GAAP Basis) | | \$ 842,918 | |

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

| BLUE WATER BRIDGE FUND | | | STATE AERONAUTICS FUND | | |
|------------------------|------------|----------------------------------------|------------------------|-----------|----------------------------------------|
| BUDGET | ACTUAL | VARIANCE FAVORABLE (UNFAVORABLE) | BUDGET | ACTUAL | VARIANCE FAVORABLE (UNFAVORABLE) |
| \$ - | \$ - | \$ - | \$ 15,579 | \$ 15,579 | \$ - |
| - | - | - | 67,148 | 67,148 | - |
| - | - | - | 4 | 4 | - |
| - | - | - | 511 | 511 | - |
| - | - | - | 505 | 505 | - |
| 1,705 | 1,705 | - | - | - | - |
| - | - | - | - | - | - |
| 20,964 | 20,964 | - | 7,646 | 7,646 | - |
| 22,668 | 22,668 | - | 91,392 | 91,392 | - |
| 6,610 | 6,358 | 252 | 8,806 | 7,354 | 1,452 |
| - | - | - | - | - | - |
| - | - | - | 82,637 | 82,633 | 3 |
| - | - | - | - | - | - |
| 6,610 | 6,358 | 252 | 91,442 | 89,987 | 1,455 |
| 10,916 | 10,916 | - | - | - | - |
| - | - | - | 369 | 369 | - |
| 10,916 | 10,916 | - | 369 | 369 | - |
| 17,525 | 17,273 | 252 | 91,812 | 90,356 | 1,455 |
| 5,143 | 5,395 | 252 | (419) | 1,036 | 1,455 |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| - | - | - | 6,000 | 6,000 | - |
| - | - | - | - | - | - |
| - | - | - | 6,000 | 6,000 | - |
| 71 | 71 | - | 150 | 112 | 38 |
| - | - | - | - | - | - |
| 7,106 | 7,106 | - | 3,438 | 3,438 | - |
| 7,177 | 7,177 | - | 3,588 | 3,550 | 38 |
| (7,177) | (7,177) | - | 2,412 | 2,450 | 38 |
| \$ (2,034) | \$ (1,782) | \$ 252 | \$ 1,993 | \$ 3,486 | \$ 1,493 |
| | 2,136 | | | 557 | |
| | - | | | - | |
| | 2,136 | | | 557 | |
| | 354 | | | 4,043 | |
| | 71,499 | | | 12,183 | |
| \$ | \$ 71,853 | | \$ | \$ 16,226 | |

| | Funds not Annually Budgeted | | |
|---------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------|-------------------------------------------------------------------------|-----------------------------------------|
| | COMBINED TRUNKLINE FUND BOND PROCEEDS FUND | COMBINED COMPREHENSIVE TRANSPORTATION BOND PROCEEDS FUND | TRANSPORTATION RELATED TRUST FUND |
| (Statutory/Budgetary Basis) | | | |
| REVENUES | | | |
| Taxes | \$ - | \$ - | \$ - |
| Federal aid | - | - | - |
| Local participation | - | - | - |
| Services | - | - | - |
| License and permits | - | - | - |
| Interest earnings | - | - | - |
| Non-operating revenue-bridges | - | - | - |
| Miscellaneous and Service revenue | - | - | - |
| Total Revenues | - | - | - |
| EXPENDITURES AND ENCUMBRANCES | | | |
| Administration | - | - | - |
| Other grants | - | - | - |
| Airport development | - | - | - |
| Nonoperating expenditure-bridges | - | - | - |
| Total Administration and Operations | - | - | - |
| Roads and bridges | - | - | - |
| Other capital outlay | - | - | - |
| Total Capital Outlay | - | - | - |
| Total Expenditures and Encumbrances | - | - | - |
| Excess of Revenue Over(Under) Expenditures and Encumbrances | - | - | - |
| OTHER FINANCING SOURCES | | | |
| Capital Lease Acquisitions | - | - | - |
| Proceeds of sale of capital assets | - | - | - |
| Michigan transportation fund distribution | - | - | - |
| Grants and transfers from other funds | - | - | - |
| Premium on bonds issued | - | - | - |
| Total Financing Sources | - | - | - |
| OTHER FINANCING USES | | | |
| Grants and transfers to other funds | - | - | - |
| Discount on bonds issued | - | - | - |
| Debt service | - | - | - |
| Total Financing Uses | - | - | - |
| Excess Other Financial Sources Over(Under) Other Financial Uses | - | - | - |
| Excess of Revenue and Other Financial Sources Over(Under) Expenditures, Encumbrances and Other Financial Uses | - | - | - |
| RECONCILING ITEMS | | | |
| Encumbrances at September 30 | - | - | - |
| Funds not annually budgeted | 60 | (1,380) | - |
| Net Reconciling Items | 60 | (1,380) | - |
| Excess of Revenue and Other Financial Sources Over(Under) Expenditures and Other Financial Uses (GAAP Basis) | 60 | (1,380) | - |
| FUND BALANCES (GAAP BASIS) | | | |
| Beginning balance - Restated | 119,075 | 4,480 | - |
| Ending balances (GAAP Basis) | \$ 119,134 | \$ 3,100 | \$ - |

| TOTALS | | |
|--------------|--------------|----------------------------------------|
| BUDGET | ACTUAL | VARIANCE FAVORABLE (UNFAVORABLE) |
| \$ 15,579 | \$ 15,579 | \$ - |
| 922,456 | 922,456 | - |
| 17,036 | 17,036 | - |
| 3,816 | 3,816 | - |
| 17,804 | 17,804 | - |
| 14,346 | 14,346 | - |
| 4,075 | 4,075 | - |
| 159,084 | 159,084 | - |
| 1,154,196 | 1,154,196 | - |
| 678,499 | 650,650 | 27,849 |
| 174,130 | 120,466 | 53,665 |
| 82,637 | 82,633 | 3 |
| 4,075 | 4,075 | - |
| 939,341 | 857,824 | 81,517 |
| 1,404,427 | 1,404,427 | - |
| 5,130 | 5,130 | - |
| 1,409,558 | 1,409,558 | - |
| 2,348,899 | 2,267,382 | 81,517 |
| (1,194,703) | (1,113,186) | 81,517 |
| - | - | - |
| 660 | 660 | - |
| 1,037,043 | 1,037,043 | - |
| 235,466 | 235,466 | - |
| - | - | - |
| 1,273,169 | 1,273,169 | - |
| 5,632 | 5,594 | 38 |
| - | - | - |
| 200,035 | 200,035 | - |
| 205,667 | 205,629 | 38 |
| 1,067,502 | 1,067,540 | 38 |
| \$ (127,201) | \$ (45,645) | \$ 81,555 |
| | 95,569 | |
| | (1,320) | |
| | 94,249 | |
| | 48,603 | |
| | 1,004,627 | |
| | \$ 1,053,231 | |



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MICHIGAN DEPARTMENT OF TRANSPORTATION
DESCRIPTIONS OF DEBT SERVICE FUNDS
FISCAL YEAR ENDED SEPTEMBER 30, 2020

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. 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. 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.

MICHIGAN DEPARTMENT OF TRANSPORTATION
COMBINING BALANCE SHEET
DEBT SERVICE FUNDS
SEPTEMBER 30, 2020 and 2019
(In Thousands)

| | COMBINED STATE TRUNKLINE BOND AND INTEREST REDEMPTION FUND | | COMBINED COMPREHENSIVE TRANSPORTATION BOND AND INTEREST REDEMPTION FUND | | TOTALS | |
|----------------------------------------|------------------------------------------------------------------------------|-------------|-------------------------------------------------------------------------------------------|-------------|--------------|-------------|
| | 2020 | 2019 | 2020 | 2019 | 2020 | 2019 |
| ASSETS | | | | | | |
| Current Assets: | | | | | | |
| Equity in Common Cash | \$ 30 | \$ - | \$ - | \$ - | \$ 30 | \$ - |
| Amounts due from other funds | - | - | - | - | - | - |
| Other Current Assets | - | - | - | - | - | - |
| Total Assets | <u>\$ 30</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 30</u> | <u>\$ -</u> |
| LIABILITIES AND FUND BALANCES | | | | | | |
| Current Liabilities: | | | | | | |
| Warrants Outstanding | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Accounts payable and other liabilities | - | - | - | - | - | - |
| Amounts due to other funds | - | - | - | - | - | - |
| Total Liabilities | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Fund Balances: | | | | | | |
| Unreserved | <u>30</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>30</u> | <u>-</u> |
| Total Fund Balances | <u>30</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>30</u> | <u>-</u> |
| Total Liabilities and Fund Balances | <u>\$ 30</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 30</u> | <u>\$ -</u> |

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

MICHIGAN DEPARTMENT OF TRANSPORTATION
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
DEBT SERVICE FUNDS
FISCAL YEARS ENDED SEPTEMBER 30, 2020 and 2019
(In Thousands)

| | COMBINED STATE TRUNKLINE BOND AND INTEREST REDEMPTION FUND | | COMBINED COMPREHENSIVE TRANSPORTATION BOND AND INTEREST REDEMPTION FUND | | TOTALS | |
|-------------------------------------------------------------------------------|------------------------------------------------------------------------|-----------|-------------------------------------------------------------------------------------|----------|-----------|-----------|
| | 2020 | 2019 | 2020 | 2019 | 2020 | 2019 |
| REVENUES | | | | | | |
| Interest earnings | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Miscellaneous | 2 | 2 | - | - | 2 | 2 |
| Total Revenues | 2 | 2 | - | - | 2 | 2 |
| EXPENDITURES | | | | | | |
| Administration | - | - | - | - | - | 1 |
| Costs of issuance | 545 | 2 | - | - | 545 | 2 |
| Bond principal retirement | 150,330 | 140,065 | 11,335 | 18,900 | 161,665 | 158,965 |
| Bond interest and fiscal charges | 49,236 | 56,532 | 2,997 | 3,939 | 52,232 | 60,472 |
| Total Expenditures | 200,110 | 196,599 | 14,332 | 22,840 | 214,443 | 219,439 |
| Excess of Revenues Over (Under) Expenditures | (200,109) | (196,597) | (14,332) | (22,839) | (214,440) | (219,437) |
| OTHER FINANCING SOURCES | | | | | | |
| Proceeds from refunding bond issues | 103,485 | - | - | - | 103,485 | - |
| Premium on bonds issued | 7,675 | - | - | - | 7,675 | - |
| Transfer from State Aeronautics Fund | - | - | 3,436 | 3,438 | 3,436 | 3,438 |
| Transfer from State Trunkline Fund | 199,566 | 196,597 | - | - | 199,566 | 196,597 |
| Transfer from Comprehensive Transportation Fund | - | - | - | - | - | - |
| | - | - | 10,896 | 19,401 | 10,896 | 19,401 |
| Total Other Financing Sources | 310,725 | 196,597 | 14,332 | 22,839 | 325,057 | 219,437 |
| OTHER FINANCING USES | | | | | | |
| Payment to refunded bond escrow agent | 110,587 | - | - | - | 110,587 | - |
| Total Other Financing Uses | 110,587 | - | - | - | 110,587 | - |
| Excess of Other Sources Over (Under) Other Uses | 200,139 | 196,597 | 14,332 | 22,839 | 214,470 | 219,437 |
| Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses | 30 | - | - | - | 30 | - |
| Fund balances-Beginning of fiscal year | - | - | - | - | - | - |
| Fund balances-End of fiscal year | \$ 30 | \$ - | \$ - | \$ - | \$ 30 | \$ - |

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



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2020

ANNUAL FINANCIAL REPORT

Statistical Section





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FINANCIAL SCHEDULES

MICHIGAN DEPARTMENT OF TRANSPORTATION
SCHEDULE OF REVENUES AND EXPENDITURES
SPECIAL REVENUE FUNDS AND CAPITAL PROJECTS FUNDS
LAST TEN YEARS
SEPTEMBER 30, 2020
(In Thousands)

| | <u>2010-2011</u> | <u>2011-2012</u> | <u>2012-2013</u> |
|---------------------------------------------------------------------|---------------------|---------------------|---------------------|
| REVENUES AND OTHER SOURCES: | | | |
| Michigan Transportation Fund | \$ 1,852,109 | \$ 1,858,160 | \$ 1,894,679 |
| State Trunkline Fund | | | |
| Economic Development | 68,427 | 68,739 | 51,745 |
| Road and Bridge Program | 1,796,420 | 1,609,683 | 1,638,111 |
| Blue Water Bridge Fund | 21,934 | 22,573 | 24,818 |
| Comprehensive Transportation Fund | 293,560 | 314,275 | 496,404 |
| Aeronautics Fund | 98,119 | 117,694 | 98,334 |
| Transportation Related Trust Fund | 256,695 | 247,875 | 259,185 |
| 1992 State Trunkline Bond Proceeds Fund | 325 | 5 | 245 |
| 1994 State Trunkline Bond Proceeds Fund | - | (3) | 4 |
| 2001 Build Michigan III Bond Proceeds Fund | 102 | (6) | 11 |
| 2001 & 2002 Build Michigan II Grant Anticipation Note Proceeds Fund | 610 | 565 | - |
| 2002 & 2003 Comprehensive Transportation Bond Proceeds Fund | 13,348 | 144 | 693 |
| 2004 State Trunkline Bond Proceeds Fund | 804 | 31 | 66 |
| 2011 State Trunkline Bond Proceeds Fund | - | 63,018 | 10,431 |
| 2020B Rebuilding Michigan Bond Program | - | - | - |
| Economic Stimulus Bonds | 1,434 | 24,340 | 37,495 |
| Jobs Today Bond Proceeds Fund | 91,483 | 26,745 | 127,194 |
| Blue Water Bridge Plaza Series Bonds | (6) | 61,010 | 210 |
| | <u> </u> | <u> </u> | <u> </u> |
| TOTAL REVENUES AND OTHER SOURCES | \$ 4,495,364 | \$ 4,414,848 | \$ 4,639,625 |
| | <u> </u> | <u> </u> | <u> </u> |
| EXPENDITURES AND OTHER USES: | | | |
| Michigan Transportation Fund | \$ 1,852,109 | \$ 1,858,160 | \$ 1,894,679 |
| State Trunkline Fund | | | |
| Economic Development | 70,372 | 67,737 | 48,702 |
| Traditional Program | 1,684,489 | 1,628,318 | 1,537,190 |
| Blue Water Bridge Fund | 7,474 | 14,644 | 13,488 |
| Comprehensive Transportation Fund | 277,708 | 293,624 | 479,460 |
| Aeronautics Fund | 97,239 | 119,053 | 93,693 |
| Transportation Related Trust Fund | 256,695 | 247,875 | 259,185 |
| 1992 State Trunkline Bond Proceeds Fund | 329 | 1,710 | 46 |
| 1994 State Trunkline Bond Proceeds Fund | - | 28 | 5 |
| 2001 Build Michigan III Bond Proceeds Fund | 701 | (134) | 410 |
| 2001 & 2002 Build Michigan II Grant Anticipation Note Proceeds Fund | 675 | 25 | 202 |
| 2002 & 2003 Comprehensive Transportation Bond Proceeds Fund | 14,665 | 22,573 | 12,296 |
| 2004 State Trunkline Bond Proceeds Fund | 1,439 | 712 | 582 |
| 2011 State Trunkline Bond Proceeds Fund | - | 26,490 | 23,453 |
| 2020B Rebuilding Michigan Bond Program | - | - | - |
| Economic Stimulus Bonds | 27,488 | 3,270 | 20,854 |
| Jobs Today Bond Proceeds Fund | 48,664 | 48,960 | 148,568 |
| Blue Water Bridge Plaza Series Bonds | 26,042 | 25,348 | 8,009 |
| | <u> </u> | <u> </u> | <u> </u> |
| TOTAL EXPENDITURES AND OTHER USES | \$ 4,366,089 | \$ 4,358,393 | \$ 4,540,822 |
| | <u> </u> | <u> </u> | <u> </u> |

| <u>2013-2014</u> | <u>2014-2015</u> | <u>2015-2016</u> | <u>2016-2017</u> | <u>2017-2018</u> | <u>2018-2019</u> | <u>2019-2020</u> |
|---------------------|---------------------|---------------------|------------------|------------------|------------------|------------------|
| \$ 1,937,904 | \$ 2,022,175 | \$ 2,072,328 | 2,617,638 | 2,808,250 | 3,124,744 | 3,169,811 |
| 48,223 | 57,717 | 54,332 | 26,440 | 53,272 | 54,603 | 41,348 |
| 1,772,689 | 1,733,972 | 1,714,350 | 1,954,893 | 1,943,524 | 2,253,215 | 2,576,240 |
| 22,441 | 20,968 | 21,285 | 22,281 | 22,414 | 22,668 | 17,866 |
| 401,373 | 389,096 | 352,243 | 376,541 | 406,879 | 406,153 | 421,490 |
| 86,956 | 89,305 | 72,616 | 96,279 | 106,234 | 97,392 | 255,389 |
| 315,459 | 314,462 | 264,737 | 283,877 | 276,163 | 269,615 | 346,062 |
| 239 | - | - | - | - | - | - |
| 2 | - | - | - | - | - | - |
| 41 | 1 | - | - | - | - | - |
| - | - | - | - | - | - | - |
| 365 | 86 | 75 | 3,390 | 1,820 | 1,264 | 229 |
| 2,549 | 122 | (8) | - | - | - | - |
| 60,338 | 8,399 | 2,977 | 6 | 16,066 | (1,752) | 275 |
| - | - | - | - | - | - | 1,048,174 |
| 21 | 1,074 | 4,031 | 4,483 | 1,491 | 31,458 | 20,004 |
| 15 | 44,710 | 57,499 | 112,582 | 20,552 | 6,210 | 30,062 |
| 2 | 4 | 5 | 1 | 16 | 8 | 1 |
| <u>\$ 4,648,617</u> | <u>\$ 4,682,091</u> | <u>\$ 4,616,470</u> | <u>5,498,411</u> | <u>5,656,681</u> | <u>6,265,578</u> | <u>7,926,951</u> |
| | | | | | | |
| \$ 1,937,904 | \$ 2,022,175 | \$ 2,072,328 | 2,617,638 | 2,808,250 | 3,124,743 | 3,169,811 |
| 52,211 | 63,906 | 49,226 | 36,232 | 51,330 | 58,219 | 47,843 |
| 1,707,553 | 1,670,003 | 1,695,233 | 1,976,204 | 1,983,756 | 2,204,072 | 2,515,171 |
| 15,131 | 24,410 | 24,331 | 15,986 | 18,916 | 22,314 | 16,930 |
| 388,597 | 403,744 | 358,385 | 358,983 | 344,360 | 373,106 | 410,776 |
| 93,671 | 92,869 | 73,243 | 100,109 | 105,638 | 93,350 | 255,054 |
| 315,459 | 314,462 | 264,737 | 283,877 | 276,163 | 269,615 | 346,062 |
| 209 | - | - | - | - | - | - |
| - | - | - | - | - | - | - |
| 41 | 555 | - | - | 1 | - | - |
| (267) | - | - | - | - | - | - |
| 7,374 | 835 | 2,611 | 6,085 | 1,270 | 2,644 | 7,267 |
| 9,442 | 2,507 | (8) | - | - | - | - |
| 66,996 | 11,042 | 6,124 | 1,037 | 122 | 1 | 14 |
| - | - | - | - | - | - | 36,452 |
| 8,718 | 5,377 | 2 | - | - | - | - |
| 36,778 | 40,413 | 34,858 | 43,721 | 37,783 | 35,863 | 81,155 |
| 562 | 1,139 | (318) | 344 | - | - | - |
| <u>\$ 4,640,379</u> | <u>\$ 4,653,437</u> | <u>\$ 4,580,752</u> | <u>5,440,216</u> | <u>5,627,589</u> | <u>6,183,927</u> | <u>6,886,535</u> |

MICHIGAN DEPARTMENT OF TRANSPORTATION
SCHEDULE OF REVENUES, EXPENDITURES & CHANGES IN FUND BALANCES
ECONOMIC DEVELOPMENT FUND
FISCAL YEARS ENDED SEPTEMBER 30, 2020 and 2019
(In Thousands)

| | 2020 | 2019 |
|---------------------------------------------------------------------------------|------------------|------------------|
| REVENUES AND OTHER SOURCES | | |
| Licenses and permits | \$ - | \$ 9,588 |
| Federal aid | - | - |
| Local participation | - | - |
| Interest earnings | 1,062 | 2,322 |
| Michigan Transportation Fund distribution | 40,275 | 40,275 |
| Miscellaneous | 11 | 19 |
| Fees | - | 2,398 |
| | <u>41,348</u> | <u>54,603</u> |
| Total Revenues and Other Sources | | |
| EXPENDITURES AND OTHER USES | | |
| Administration | 432 | 420 |
| Forest roads | 5,000 | 5,000 |
| Target industries-state takeovers | 7,100 | 3,801 |
| Rural county urban system | 3,390 | 1,865 |
| Urban county congestion | 10,276 | 28,288 |
| Rural county primary | 6,476 | 5,805 |
| Community Service Infrastructure Fund | 3,532 | 1,444 |
| Special Projects | - | - |
| Debt service | 11,638 | 11,595 |
| | <u>-</u> | <u>11,595</u> |
| Total Expenditures and Other Uses | <u>47,844</u> | <u>58,219</u> |
| Excess of Revenue and Other Sources Over (Under) Expenditures and Other Uses | <u>(6,495)</u> | <u>(3,616)</u> |
| Fund Balances-Beginning of fiscal year | 96,845 | 100,462 |
| Fund Balances-Adjustments | - | - |
| Fund Balances-End of fiscal year | <u>\$ 90,350</u> | <u>\$ 96,845</u> |

The Economic Development Fund is a subfund of the State Trunkline Fund created during FY 1988. The amounts shown above are 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.

Note 1: New program in FY19



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MICHIGAN DEPARTMENT OF TRANSPORTATION
CONSTRUCTION AND CAPITAL PROPERTY ACQUISITIONS
BY FUNCTIONAL ACTIVITY
FISCAL YEAR ENDED SEPTEMBER 30, 2020
(In Thousands)

| | <u>Construction Supervision</u> | <u>Preliminary Engineering</u> | <u>Right-of-Way</u> |
|------------------------------------------------|-------------------------------------|------------------------------------|---------------------|
| STATE TRUNKLINE FUND | | | |
| Roads and bridges | \$ 114,928 | \$ 159,214 | \$ 38,822 |
| Economic development fund | 30 | 142 | 1,064 |
| Work orders - state facilities | <u>-</u> | <u>-</u> | <u>-</u> |
| Subtotal | <u>114,958</u> | <u>159,356</u> | <u>39,886</u> |
| BLUE WATER BRIDGE FUND | <u>494</u> | <u>924</u> | <u>-</u> |
| Subtotal | <u>494</u> | <u>924</u> | <u>-</u> |
| STATE AERONAUTICS AND GENERAL FUNDS | | | |
| Airport development | - | 7,635 | 826 |
| Work orders - state facilities | <u>-</u> | <u>-</u> | <u>-</u> |
| Subtotal | <u>-</u> | <u>7,635</u> | <u>826</u> |
| COMPREHENSIVE TRANSPORTATION FUND | | | |
| Rail freight | - | - | - |
| Bus transit | - | 83 | - |
| Intercity bus, rail, water | <u>-</u> | <u>-</u> | <u>-</u> |
| Subtotal | <u>-</u> | <u>83</u> | <u>-</u> |
| BOND PROCEEDS FUNDS | | | |
| State Trunkline Fund | 1,568 | 2,489 | 857 |
| Comprehensive Transportation Fund | - | - | - |
| Aeronautics Fund | <u>-</u> | <u>-</u> | <u>-</u> |
| Subtotal | <u>1,568</u> | <u>2,489</u> | <u>857</u> |
| Total Capital Acquisitions | <u>\$ 117,020</u> | <u>\$ 170,487</u> | <u>\$ 41,569</u> |

| <u>Utility Relocation</u> | <u>Physical Construction</u> | <u>Special Projects</u> | <u>Other Activities</u> | <u>Totals</u> |
|-------------------------------|----------------------------------|-----------------------------|-----------------------------|---------------------|
| \$ 32,808 | \$ 1,103,884 | \$ - | \$ 51,656 | \$ 1,501,312 |
| - | 29,505 | - | - | 30,741 |
| - | - | - | 1,426 | 1,426 |
| <u>32,808</u> | <u>1,133,389</u> | <u>-</u> | <u>53,082</u> | <u>1,533,479</u> |
| - | 1,358 | - | 767 | 3,544 |
| - | 1,358 | - | 767 | 3,544 |
| - | 107,987 | - | 127,096 | 243,544 |
| - | - | - | - | - |
| - | 107,987 | - | 127,096 | 243,544 |
| - | 1,744 | - | 7,354 | 9,099 |
| - | - | - | 298,095 | 298,177 |
| - | 2,864 | - | 51,358 | 54,222 |
| - | 4,608 | - | 356,807 | 361,498 |
| - | 29,420 | - | - | 34,334 |
| - | - | - | 3,857 | 3,857 |
| - | - | - | - | - |
| - | 29,420 | - | 3,857 | 38,191 |
| <u>\$ 32,808</u> | <u>\$ 1,276,762</u> | <u>\$ -</u> | <u>\$ 541,609</u> | <u>\$ 2,180,255</u> |

MICHIGAN DEPARTMENT OF TRANSPORTATION
CONSTRUCTION AND CAPITAL PROPERTY ACQUISITIONS
BY FUNCTIONAL ACTIVITY
FISCAL YEAR ENDED SEPTEMBER 30, 2019
(In Thousands)

| | <u>Construction Supervision</u> | <u>Preliminary Engineering</u> | <u>Right-of-Way</u> |
|------------------------------------------------|-------------------------------------|------------------------------------|-------------------------|
| STATE TRUNKLINE FUND | | | |
| Roads and bridges | \$ 110,688 | \$ 124,707 | \$ 8,683 |
| Economic development fund | 1,412 | 16 | 94 |
| Work orders - state facilities | <u>-</u> | <u>-</u> | <u>-</u> |
| Subtotal | <u>112,100</u> | <u>124,723</u> | <u>8,777</u> |
| BLUE WATER BRIDGE FUND | <u>706</u> | <u>666</u> | <u>-</u> |
| Subtotal | <u>706</u> | <u>666</u> | <u>-</u> |
| STATE AERONAUTICS AND GENERAL FUNDS | | | |
| Airport development | 2,973 | 3,332 | 2,074 |
| Work orders - state facilities | <u>-</u> | <u>-</u> | <u>-</u> |
| Subtotal | <u>2,973</u> | <u>3,332</u> | <u>2,074</u> |
| COMPREHENSIVE TRANSPORTATION FUND | | | |
| Rail freight | - | - | - |
| Bus transit | - | - | - |
| Intercity bus, rail, water | <u>-</u> | <u>-</u> | <u>-</u> |
| Subtotal | <u>-</u> | <u>-</u> | <u>-</u> |
| BOND PROCEEDS FUNDS | | | |
| State Trunkline Fund | (3) | - | (4) |
| Comprehensive Transportation Fund | - | - | - |
| Aeronautics Fund | <u>-</u> | <u>-</u> | <u>-</u> |
| Subtotal | <u>(3)</u> | <u>-</u> | <u>(4)</u> |
| Total Capital Acquisitions | \$ <u><u>115,777</u></u> | \$ <u><u>128,720</u></u> | \$ <u><u>10,847</u></u> |

| <u>Utility Relocation</u> | <u>Physical Construction</u> | <u>Special Projects</u> | <u>Other Activities</u> | <u>Totals</u> |
|-------------------------------|----------------------------------|-----------------------------|-----------------------------|---------------------|
| \$ 29 | \$ 1,005,804 | \$ - | \$ 13,829 | \$ 1,263,740 |
| - | 38,172 | - | 5,047 | 44,741 |
| - | - | - | 4,325 | 4,325 |
| <u>29</u> | <u>1,043,976</u> | <u>-</u> | <u>23,202</u> | <u>1,312,806</u> |
| - | 6,127 | - | 957 | 8,456 |
| - | 6,127 | - | 957 | 8,456 |
| - | 56,704 | - | 7,277 | 72,360 |
| - | - | - | - | - |
| - | 56,704 | - | 7,277 | 72,360 |
| - | - | - | 1,282 | 688 |
| - | - | - | 67,269 | 55,961 |
| - | - | - | 59,730 | 52,972 |
| - | - | - | 128,281 | 128,281 |
| - | - | - | 35,870 | 35,864 |
| - | - | - | 2,680 | 2,680 |
| - | - | - | 18 | 18 |
| - | - | - | 38,568 | 38,562 |
| <u>\$ 29</u> | <u>\$ 1,106,808</u> | <u>\$ -</u> | <u>\$ 198,285</u> | <u>\$ 1,560,465</u> |

Michigan Department of Transportation
Schedule of Expenditures of Federal Awards
Fiscal Year Ended September 30, 2020

| Grantor Agency/Federal Assistance Program Title | CFDA* Program Number | Direct Award (Y/N) | Pass Through Entity | Pass- Through Entity ID Number | Research and Develop- ment (Y/N) | Distributed to Subrecipients | | | |
|----------------------------------------------------------------------------------------------|----------------------------|--------------------------|---------------------------|-----------------------------------------|-------------------------------------------|------------------------------------|----------------------------|--------------------------|-----------------------------------|
| | | | | | | Directly Expended by Department | To Other State Agencies | To Non-State Entities | Total Expended and Distributed |
| U.S. Department of Transportation | | | | | | | | | |
| Highway Planning and Construction Cluster | | | | | | | | | |
| Direct Programs: | | | | | | | | | |
| Highway Planning and Construction | 20.205 | Y | | | N | 1,293,735,729 | | 30,590,740 | 1,324,326,469 |
| Highway Planning and Construction | 20.205 | Y | | | Y | 6,385,256 | | | 6,385,256 |
| Recreational Trails Program | 20.219 | Y | | | N | 686,251 | | | 686,251 |
| Federal Lands Access Program | 20.224 | Y | | | N | 3,366,933 | | | 3,366,933 |
| Total Highway Planning and Construction Cluster | | | | | | 1,304,174,170 | - | 30,590,740 | 1,334,764,910 |
| Federal Transit Cluster | | | | | | | | | |
| Direct Programs: | | | | | | | | | |
| Bus and Bus Facilities Formula Program | 20.526 | Y | | | N | | | 12,021,305 | 12,021,305 |
| Total Federal Transit Cluster | | | | | | - | - | 12,021,305 | 12,021,305 |
| Transit Services Programs Cluster | | | | | | | | | |
| Direct Programs: | | | | | | | | | |
| Enhanced Mobility for Seniors and Individuals with Disabilities | 20.513 | Y | | | N | | | 5,669,025 | 5,669,025 |
| Job Access and Reverse Commute Program | 20.516 | Y | | | N | | | 51,427 | 51,427 |
| New Freedom Program | 20.521 | Y | | | N | | | 206,377 | 206,377 |
| Total Transit Services Programs Cluster | | | | | | - | | 5,926,829 | 5,926,829 |
| Direct Programs: | | | | | | | | | |
| Airport Improvement Program (Note 1) | 20.106 | Y | | | N | 28,143,356 | | | 28,143,356 |
| Airport Improvement Program - COVID19/CARES Funds (Note 1) | 20.106 | Y | | | N | 2,606,963 | | | 2,606,963 |
| Highway Research and Development Program | 20.200 | Y | | | Y | 2,809,103 | | 36,562 | 2,845,664 |
| Highway Training and Education | 20.215 | Y | | | N | | | 164,756 | 164,756 |
| Metropolitan Transportation Planning and State and Non-Metropolitan Planning and Research | 20.505 | Y | | | N | 46 | | 4,229,112 | 4,229,158 |
| Formula Grants for Rural Areas | 20.509 | Y | | | N | 2,364,267 | | 26,619,013 | 28,983,280 |
| Formula Grants for Rural Areas - COVID19/CARES Funds | 20.509 | Y | | | N | 119,145 | | 23,965,511 | 24,084,656 |
| Public Transportation Research, Technical Assistance, and Training | 20.514 | Y | | | N | | | 628,595 | 628,595 |
| Rail Fixed Guideway Public Transportation System State Safety Oversight | | | | | | | | | |
| Formula Grant Program | 20.528 | Y | | | N | 47,334 | | | 47,334 |
| National Priority Safety Programs | 20.616 | N | State Police | | N | 49,948 | | | 49,948 |
| National Infrastructure Investments | 20.933 | Y | | | N | 19,524,193 | | 88,374 | 19,612,567 |
| Total Direct Programs | | | | | | 55,664,354 | - | 55,731,923 | 111,396,276 |
| Total U.S. Department of Transportation | | | | | | 1,359,838,523 | - | 104,270,797 | 1,464,109,321 |
| U.S. Department of Health and Human Services | | | | | | | | | |
| TANF Cluster | | | | | | | | | |
| Temporary Assistance for Needy Families (TANF) State Programs | 93.558 | N | Health and Human Services | 15-99001 | N | 550,000 | | - | 550,000 |
| Total TANF Cluster | | | | | | 550,000 | - | - | 550,000 |
| Total U.S. Department of Health and Human Services | | | | | | 550,000 | - | - | 550,000 |
| Total Expenditures of Federal Awards | | | | | | 1,360,388,523 | - | 104,270,797 | 1,464,659,321 |

* CFDA is defined as Catalog of Federal Domestic Assistance

Michigan Department of Transportation
Schedule of Expenditures of Federal Awards
Fiscal Year Ended September 30, 2019

| Grantor Agency/Federal Assistance Program Title | CFDA* Program Number | Direct Award (Y/N) | Pass Through Entity | Pass- Through Entity ID Number | Research and Develop- ment (Y/N) | Distributed to Subrecipients | | | Total Expended and Distributed |
|-----------------------------------------------------------------------------------------------|----------------------------|--------------------------|---------------------------|-----------------------------------------|-------------------------------------------|------------------------------------|----------------------------|--------------------------|-----------------------------------|
| | | | | | | Directly Expended by Department | To Other State Agencies | To Non-State Entities | |
| U.S. Department of Transportation | | | | | | | | | |
| Highway Planning and Construction Cluster | | | | | | | | | |
| Direct Programs: | | | | | | | | | |
| Highway Planning and Construction | 20.205 | Y | | | N | 1,097,980,994 | | 39,294,756 | 1,137,275,750 |
| Highway Planning and Construction | 20.205 | Y | | | Y | 4,735,263 | | | 4,735,263 |
| Recreational Trails Program | 20.219 | Y | | | N | 185,000 | | | 185,000 |
| Total Highway Planning and Construction Cluster | | | | | | 1,102,901,257 | - | 39,294,756 | 1,142,196,013 |
| Federal Transit Cluster | | | | | | | | | |
| Direct Programs: | | | | | | | | | |
| Federal Transit - Capital Investment Grants | 20.500 | Y | | | N | | | (46,747) | (46,747) |
| Bus and Bus Facilities Formula Program | 20.526 | Y | | | N | | | 2,777,936 | 2,777,936 |
| Total Federal Transit Cluster | | | | | | - | - | 2,731,189 | 2,731,189 |
| Transit Services Programs Cluster | | | | | | | | | |
| Direct Programs: | | | | | | | | | |
| Enhanced Mobility for Seniors and Individuals with Disabilities | 20.513 | Y | | | N | | | 5,322,567 | 5,322,567 |
| Job Access and Reverse Commute Program | 20.516 | Y | | | N | | | 1,064,174 | 1,064,174 |
| New Freedom Program | 20.521 | Y | | | N | | | 2,645,540 | 2,645,540 |
| Total Transit Services Programs Cluster | | | | | | - | | 9,032,282 | 9,032,282 |
| Direct Programs: | | | | | | | | | |
| Airport Improvement Program (Note 1) | 20.106 | Y | | | N | 20,658,497 | | | 20,658,497 |
| Highway Research and Development Program | 20.200 | Y | | | Y | 153,038 | | 38,305 | 191,343 |
| High-Speed Rail Corridors and Intercity Passenger Rail Service - Capital Assistance Grants | 20.319 | Y | | | N | 404 | | 116,935 | 117,339 |
| Metropolitan Transportation Planning and State and Non-Metropolitan Planning and Research | 20.505 | Y | | | N | 90,083 | | 503,226 | 593,309 |
| Formula Grants for Rural Areas | 20.509 | Y | | | N | 9,499,441 | | 19,507,320 | 29,006,761 |
| National Priority Safety Programs | 20.616 | N | State Police | | N | 46,699 | | | 46,699 |
| National Infrastructure Investments | 20.933 | Y | | | N | 473,779 | | 550,503 | 1,024,283 |
| Total Direct Programs | | | | | | 30,921,942 | - | 20,716,289 | 51,638,232 |
| Total U.S. Department of Transportation | | | | | | 1,133,823,199 | - | 71,774,515 | 1,205,597,714 |
| U.S. Department of Health and Human Services | | | | | | | | | |
| TANF Cluster | | | | | | | | | |
| Temporary Assistance for Needy Families (TANF) State Programs | 93.558 | N | Health and Human Services | 15-99001 | N | 550,000 | | - | 550,000 |
| Total TANF Cluster | | | | | | 550,000 | - | - | 550,000 |
| Total U.S. Department of Health and Human Services | | | | | | 550,000 | - | - | 550,000 |
| Total Expenditures of Federal Awards | | | | | | 1,134,373,199 | - | 71,774,515 | 1,206,147,714 |

* CFDA is defined as Catalog of Federal Domestic Assistance

MICHIGAN DEPARTMENT OF TRANSPORTATION
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FISCAL YEAR ENDING SEPTEMBER 30, 2020

1. Federal expenditures of \$201,543,693 for the Airport Improvement Program (CFDA 20.106) channeled to primary airports for fiscal year 2020 are not included in the Schedule of Expenditures of Federal Awards (SEFA). Included in this amount are Coronavirus Aid, Relief, and Economic Security (CARES) Act expenditures totaling \$133,952,347. The Federal Aviation Administration (FAA) determined that the Michigan Department of Transportation (MDOT) has no oversight responsibility for grants to primary airports. Also, compliance with federal regulations is the responsibility of the primary airports and not MDOT. Therefore, MDOT is channeling the FAA funds to the primary airports in accordance with Public Act 327 of 1945.

MICHIGAN DEPARTMENT OF TRANSPORTATION
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FISCAL YEAR ENDING SEPTEMBER 30, 2019

1. Federal expenditures to primary airports in the amount of \$ 45,155,311 for fiscal year 2019 are not included in the SEFA report under the Airport Improvement Program (CFDA 20.106). MDOT is channeling the Federal Aviation Administration (FAA) funds to the primary airports, per P.A. 327 of 1945. The FAA determined that MDOT has no oversight responsibility for grants to primary airports. Primary airport expenditures will not be reported in the SEFA because compliance with federal regulations is the responsibility of the primary airport and not MDOT.



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Providing the highest quality integrated transportation services for economic benefit and improved quality of life.