

2011



Michigan Department of Transportation

ANNUAL FINANCIAL REPORT

Fiscal Year Ending September 30, 2011



MICHIGAN DEPARTMENT OF TRANSPORTATION

ANNUAL FINANCIAL REPORT

Fiscal Years Ended September 30, 2011 & 2010

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

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MICHIGAN DEPARTMENT OF TRANSPORTATION
ANNUAL FINANCIAL REPORT
 FISCAL YEAR ENDED SEPTEMBER 30, 2011

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



STATE OF MICHIGAN
DEPARTMENT OF TRANSPORTATION
LANSING

RICK SNYDER
GOVERNOR

KIRK T. STEUDLE
DIRECTOR

May 25, 2012

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

Kirk T. Steudle, Director
Michigan Department of Transportation
425 W. Ottawa
Lansing, Michigan 48913

Dear State Transportation Commission and Director Steudle:

We are pleased to submit the Annual Financial Report for the Michigan Department of Transportation (Department) for the fiscal years (FY) ending September 30, 2010 and 2011. This report is prepared by the Bureau of Finance and Administration, which is responsible for both the accuracy of the data and the completeness and fairness of the presentation. The data is accurate in all material respects and is presented in a manner designed to fairly set forth the financial position and results of the Department's operations.

This report is in compliance with 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. A waiver has been granted by the State Budget Office, Office of Financial Management (OFM) to restate FY 2010 fund balance to comply with Governmental Accounting Standards Board Statement No. 54 (GASB54). GASB54 also changed the definition of a special revenue fund. The majority of the Department's funds are now considered Capital Projects Funds under the new GASB54 definitions.

FINANCIAL UPDATE

During FY 2011, the Department continued to deliver high quality products and services while seeing a moderate increase to revenues. Although improving, the State of Michigan's economic situation continues to pose financial challenges for the Department. Improving automobile sales contributed to an increase in vehicle registration revenue but was offset by reduced fuel tax revenue as a result of higher gas prices. These factors contributed to a net increase of \$12.8 million in revenue deposited in the Michigan Transportation Fund (MTF). Total MTF revenue in FY 2011 was \$1.8 billion. Between FY 2010 and FY 2011, there was a decrease of \$4.4 million in gasoline and diesel taxes collected and an increase of \$17.5 million in vehicle registration taxes.

In FY 2011, the Comprehensive Transportation Fund (CTF) received \$156.7 million total in MTF revenue, a \$1.5 million increase compared to FY 2010 in MTF revenues for public transportation services. The CTF also received \$90.0 million in sales tax revenue from vehicle-related sales, which was an increase of \$13.2 million in FY 2011. The vehicle-related sales tax increase was partly due to a \$5.7 million redirection to the State's General Fund in FY 2010. An improving economy also contributed to that increase.

In 2005, the federal act that provided federal transportation dollars for highway and transit programs was replaced with the Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users (SAFETEA-LU). Michigan received \$790.0 million in apportionments and \$748.7 million in new obligation authority for FY 2011 for the highway program. The Department continues to deliver a road and bridge program under the uncertainty caused by the expiration of SAFETEA-LU in 2009. Congress has authorized nine extensions to SAFETEA-LU as a stop-gap measure while reauthorization of transportation funding is developed. This uncertainty has a direct impact on the Department's road and bridge program, affecting timing of project lettings and overall concern with the ability to deliver the Department's announced annual programs. Despite the uncertainty at the national level, the Department was able to deliver the FY 2011 capital program as announced.

In FY 2011, aviation fuel tax revenue deposited in the State Aeronautics Fund increased by \$0.2 million over the previous fiscal year, increasing slightly from the historically low revenues in FY 2010.

Due to continued low levels of state revenues, the Department faces a challenge in matching future federal aid for the road and bridge program. In FY 2011, the Department addressed these challenges by reducing administrative costs, reducing maintenance expenditures, and utilizing innovative financing techniques such as the use of toll credits to match federal aid. The Department expects to match federal aid in FY 2012 using the same strategies.

PROGRAM OVERVIEW

The Department'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 2011, the Department was confronted with increased project costs, stretched budgets, and an aging infrastructure. Currently, pavement and bridge conditions are rated at 89 percent and 93 percent good and fair, respectively. The overall system health of trunkline pavements remains at 8.6 years average remaining life at the end of FY 2011. Asset management technology and strategies continue to enhance accurate forecasting of pavement condition and assist in prioritization of future projects.

The FY 2011 capital program provided Michigan travelers with approximately 153 route miles of improved roads and over 190 rehabilitated and maintained bridges. There were 54 projects let for the reconstruction and rehabilitation of trunkline roads. Additionally, the Department managed the good and fair roads by extending the life of approximately 1,600 miles of pavement through the Capital Preventive Maintenance Program. With the FY 2011 Highway Program investment, the Department will continue to positively influence Michigan's economy by supporting more than 15,500 jobs.

The FY 2011 Highway Capital and Maintenance Programs invested \$1.02 billion to maintain the 9,700 mile state trunkline system, including pre-construction phases (project scoping, environmental clearance, design, right-of-way acquisition) and construction projects. Pavement preservation activities, including road rehabilitation and reconstruction and capital preventive maintenance totaled \$436 million. Bridge preservation activities, including bridge rehabilitation and reconstruction and bridge capital preventive maintenance, will total \$170 million. Capacity Improvements and New Roads investments totaled \$143 million, which included \$100 million investment in I-94/I-69 freeway and bridge improvements leading to the existing Blue Water Bridge plaza. Routine maintenance activities total an estimated \$275 million; this includes pothole filling, snow plowing, sweeping, and grass cutting.

The Department allocated \$52 million in federal and state funds to work categories that include signs, pavement markings, median guardrail, traffic signals, and safety programs that address several focus areas in Michigan's State Highway Safety Plan. For safety projects in FY 2011 there were 26 total projects, of which thirteen were low cost safety improvements. The remaining 13 projects were cost justified by addressing 20 fatalities and 63 serious injuries which occurred during the study period. In FY 2011, the department replaced statewide 150 million feet of pavement markings and replaced special markings at school, pedestrian, railroad crossing and intersection approaches in approximately 40 Michigan counties.

In FY 2011, the Department's focus continued to be on preservation of existing public transportation services by distributing \$166.6 million in CTF monies for local transit operations, and allocating \$8 million in CTF funds plus another \$16 million in bond proceeds to match approximately \$96 million in federal transit capital funds. In FY 2011, state and federal funds were used to maintain intercity bus services in nearly 100 Michigan communities, improve intercity bus facilities, and replace intercity buses. Safety was also the focus of the Department's ongoing safety certification of private motor bus and limousine carriers. In addition, the Department distributed approximately \$8.6 million in CTF monies to support passenger rail services along two existing corridors, including the preliminary tasks involved in the acquisition of the accelerated rail corridor between Kalamazoo and Dearborn. Approximately \$4.2 million in bond proceeds was used to perform stabilization work along the accelerated rail corridor, plus another \$40 million in American Recovery and Reinvestment Act funds to provide for the replacement of two passenger rail stations and the renovation of one passenger rail facility. In FY 2011, state and federal funds were used to maintain intercity passenger rail services in

22 Michigan communities; improve and replace intercity passenger rail facilities; and spur economic development along Michigan's rail lines.

In FY 2011, the Department continued to make targeted capital investments designed to help maintain efficient freight service on the 530 miles of state-owned rail lines operated, under contract, by four railroad companies. A project was begun to improve approximately 26 miles of main-line track, enhancing the safety and efficiency of the line and helping ensure continued rail access to shippers. A number of smaller projects were undertaken as well. The Department provided funding for 45 grade crossing safety enhancement projects and 2 crossing closure efforts on roads under county, city, or village jurisdiction, investing over \$8.7 million in the interest of motorist safety. Through the Freight Economic Development Program, the Department loaned monies for two projects, investing \$300,000 to provide rail access for expanding businesses. The Department also provided nearly \$500,000 in legislatively mandated operating assistance to the Detroit-Wayne County Port Authority for administrative and marketing expenditures.

During FY 2011, the Department contracted for 108 airport improvement projects totaling \$33.56 million. This is significantly less than the 145 projects totaling \$118.9 million in FY 2010. The decrease is due to uncertainty of the continuing resolutions for funding the Airport Improvement Program (AIP) at the federal level. In addition to projects which benefit aviation safety, some projects are developed to either preserve the existing infrastructure or expand the runway capacity. Statewide airport pavement inspections revealed that 86 percent of primary runways at Tier 1 category airports are in "good or better" condition (up from 75 percent in year 2000).

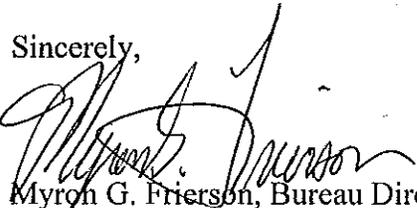
A reauthorization of Federal Aviation Administration funding was enacted on February 14, 2012. The Act -- "FAA Modernization and Reform Act of 2012", authorized funding for aeronautics projects through FY 2014. The Act reduced the federal participation in project expenditures from 95 percent to 90 percent. The Department is developing strategies to address this additional demand for matching funds.

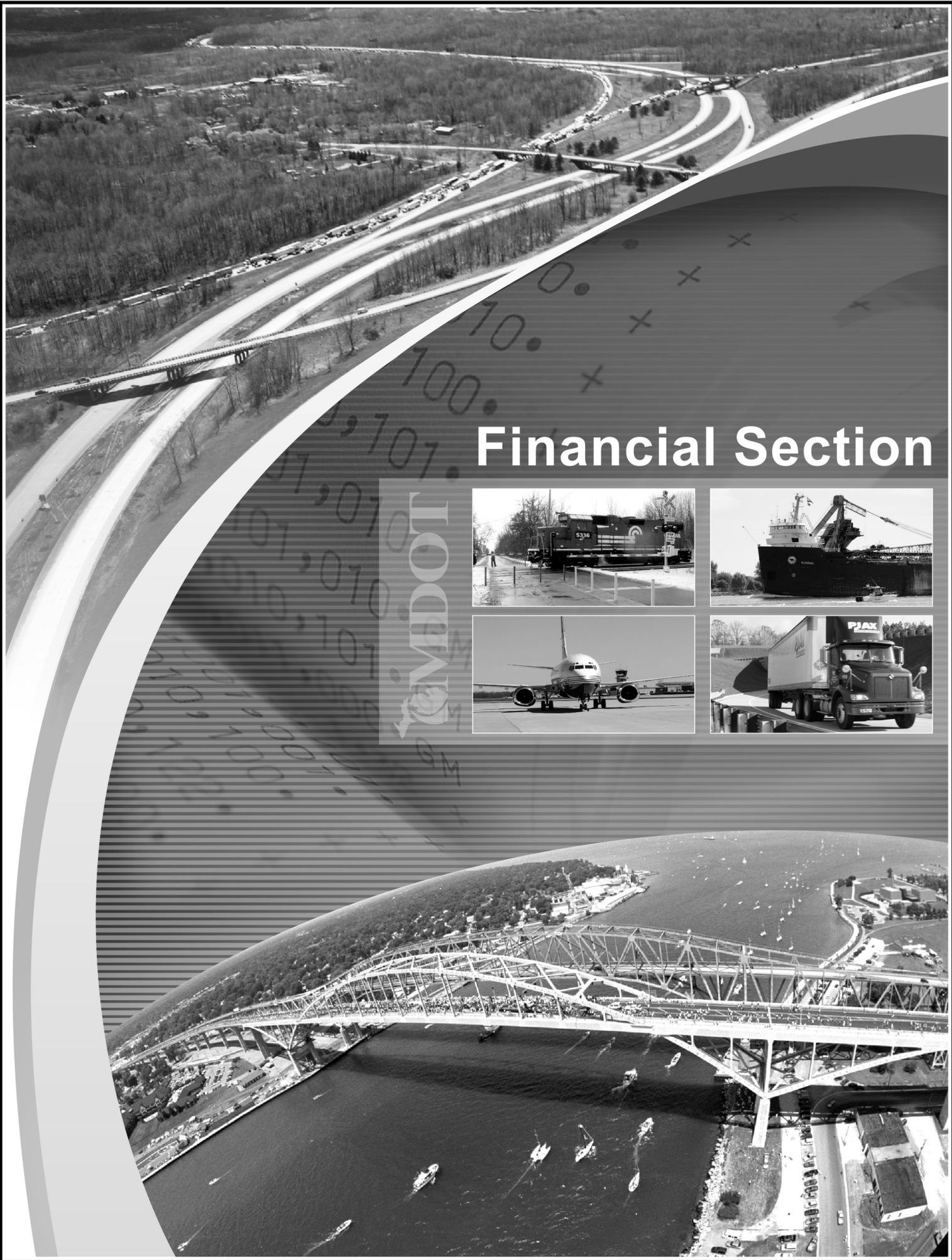
CONCLUSION

In FY 2011, \$3.4 billion was expended from all revenue sources to address Michigan's transportation needs. The Department strives to make wise investment decisions with its limited resources to maximize the results achieved. This has fostered many innovative ideas in the Department and will undoubtedly promote even more in the future.

State Transportation Commission
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May 25, 2012

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 the Department's financial condition.

Sincerely,

Myron G. Frierson, Bureau Director
Finance and Administration



Financial Section



WMDOT



GENERAL PURPOSE FINANCIAL STATEMENTS
NOTES TO FINANCIAL STATEMENTS

MICHIGAN DEPARTMENT OF TRANSPORTATION
COMBINED BALANCE SHEET
ALL FUND TYPES AND ACCOUNT GROUPS
 SEPTEMBER 30, 2011 and 2010
 (In Thousands)

	GOVERNMENTAL FUND TYPES			
	SPECIAL REVENUE		DEBT SERVICE	
	2011	2010*	2011	2010*
ASSETS				
Current Assets:				
Cash and cash equivalents	\$ 13	\$ -	\$ -	\$ -
Equity in Common Cash	185,508	178,365	-	-
Receivables:				
Taxes, interest, and penalties (at net)	105,764	100,665		
Federal aid	18,726	17,982	-	-
Local units	892	1,209	-	-
Other funds	25,017	17,899	-	-
Component Units	-	-	-	-
Other Current Assets	59	58	-	-
Inventories	-	-	-	-
	335,979	316,180	-	-
Noncurrent Assets:				
Receivables:				
Taxes	2,619	3,293		
Federal aid	-	-	-	-
Local units	3,063	4,410	-	-
Advances to other funds	-	-	-	-
Land contracts	-	-	-	-
Miscellaneous	577	653	-	-
	6,259	8,355	-	-
Total Assets	\$ 342,238	\$ 324,535	\$ -	\$ -
LIABILITIES AND FUND BALANCES				
Current Liabilities:				
Warrants outstanding	\$ 1,005	\$ 392	\$ -	\$ -
Accounts payable	219,315	218,401	-	-
Contract reserve payable	-	-	-	-
Due to other funds and Components	27,061	28,309	-	-
Deposits, permits and other liabilities	708	1,567	-	-
Deferred revenue	12,456	9,502	-	-
	260,545	258,170	-	-
Long-Term Liabilities:				
Deferred revenue	3,421	3,946	-	-
Advances from other funds	-	-	-	-
	263,966	262,115	-	-
Fund Balance:				
Nonspendable	-	-	-	-
Restricted	78,272	62,420	-	-
Committed	-	-	-	-
Assigned	-	-	-	-
	78,272	62,420	-	-
Total Liabilities and Fund Balances	\$ 342,238	\$ 324,535	\$ -	\$ -

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

* In compliance with the Governmental Accounting Standards Board (GASB) statement No. 54, 2010 fund balance information has been restated.

CAPITAL PROJECTS		TOTALS	
2011	2010*	2011	2010*
\$ 1,159	\$ 2,344	\$ 1,173	\$ 2,344
726,475	329,878	911,983	508,243
657	710	106,421	101,376
222,196	218,546	240,922	236,528
59,263	51,629	60,154	52,838
21,033	341,676	46,051	359,575
1,196	1,950	1,196	1,950
2,976	3,065	3,035	3,123
12,933	16,810	12,933	16,810
<u>1,047,888</u>	<u>966,608</u>	<u>1,383,867</u>	<u>1,282,788</u>
		2,619	3,293
-	-	-	-
26,071	30,650	29,134	35,059
-	-	-	-
417	445	417	445
-	-	577	653
<u>26,488</u>	<u>31,095</u>	<u>32,746</u>	<u>39,451</u>
\$ <u>1,074,376</u>	\$ <u>997,704</u>	\$ <u>1,416,614</u>	\$ <u>1,322,239</u>
\$ 3,990	\$ 6,588	\$ 4,996	\$ 6,980
219,043	259,340	438,358	477,741
2,668	4,750	2,668	4,750
20,860	14,608	47,921	42,916
22,164	21,932	22,872	23,499
5,844	4,122	18,300	13,623
<u>274,569</u>	<u>311,341</u>	<u>535,115</u>	<u>569,510</u>
467	446	3,888	4,391
-	-	-	-
<u>275,036</u>	<u>311,786</u>	<u>539,003</u>	<u>573,901</u>
12,933	16,810	12,933	16,810
786,406	669,107	864,678	731,527
-	-	-	-
-	-	-	-
<u>799,339</u>	<u>685,917</u>	<u>877,611</u>	<u>748,337</u>
\$ <u>1,074,376</u>	\$ <u>997,704</u>	\$ <u>1,416,614</u>	\$ <u>1,322,239</u>

MICHIGAN DEPARTMENT OF TRANSPORTATION
COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
ALL GOVERNMENTAL FUND TYPES AND EXPENDABLE TRUST FUNDS
 FISCAL YEARS ENDED SEPTEMBER 30, 2011 and 2010
 (In Thousands)

	GOVERNMENTAL FUND TYPES			
	SPECIAL REVENUE		DEBT SERVICE	
	2011	2010	2011	2010
REVENUES				
Taxes	\$ 1,907,362	\$ 1,880,950	\$ -	\$ -
License and permits	31,096	30,729	-	-
Federal aid	42,312	50,217	-	-
Local participation	-	-	-	-
Interest earnings	320	434	-	-
Services	3,493	3,396	-	-
Non-operating revenue-bridges	-	-	-	-
Miscellaneous	2,416	2,494	-	-
Total Revenues	1,986,999	1,968,221	-	-
EXPENDITURES				
Administration and Operations:				
Administration and maintenance	18,097	18,576	-	-
Bus operating assistance grants	194,608	197,613	-	-
Other grants	936,934	938,469	-	-
Airport development	-	-	-	-
Non-operating expenditures-bridges	-	-	-	-
Trust fund construction activity	-	-	-	-
Capital lease payments	-	-	-	-
Costs of issuance	-	-	-	1,023
Bond principal retirement	-	-	100,113	96,311
Bond interest and fiscal charges	-	-	133,532	142,482
Total Administration and Operations	1,149,640	1,154,659	233,645	239,816
Capital Outlay:				
Roads and bridges	-	-	-	-
Other capital outlay	-	-	-	-
Total Capital Outlay	-	-	-	-
Total Expenditures	1,149,640	1,154,659	233,645	239,816
Excess of Revenues Over (Under) Expenditures	837,360	813,562	(233,645)	(239,816)
OTHER FINANCING SOURCES				
Michigan Transportation Fund distribution	156,717	155,205	-	-
Grants and transfers from other funds	1,953	2,898	233,645	238,793
Capital Lease Acquisitions	-	-	-	-
Proceeds from sale of capital assets	-	-	-	-
Proceeds from bonds and notes issued	-	-	-	142,190
Premium on bonds issued	-	-	-	9,321
Total Other Financing Sources	158,670	158,103	233,645	390,304
OTHER FINANCING USES				
Michigan Transportation Fund distribution	748,426	742,643	-	-
Grants and transfers to other funds	201,899	215,817	-	-
Discount on bonds issued	-	-	-	-
Debt service	29,853	17,085	-	-
Payment to refunded bond escrow agent	-	-	-	150,488
Total Other Financing Uses	980,178	975,545	-	150,488
Excess of Other Financing Sources Over (Under) Other Financing Uses	(821,508)	(817,442)	233,645	239,816
Excess of Revenue and Other Sources Over (Under) Expenditures and Other Uses	15,852	(3,880)	-	-
Fund balances-Beginning of fiscal year	62,420	66,300	-	-
Fund balances-End of fiscal year	\$ 78,272	\$ 62,420	\$ -	\$ -

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

CAPITAL PROJECTS		TOTALS	
2011	2010	2011	2010
\$ 5,621	\$ 5,422	\$ 1,912,983	\$ 1,886,372
16,743	5,682	47,839	36,412
1,428,740	1,480,886	1,471,053	1,531,103
17,305	16,540	17,305	16,540
1,199	2,132	1,519	2,566
1,330	629	4,823	4,025
2,997	2,928	2,997	2,928
55,360	57,198	57,776	59,692
<u>1,529,297</u>	<u>1,571,417</u>	<u>3,516,296</u>	<u>3,539,638</u>
443,728	474,971	461,825	493,547
-	-	194,608	197,613
127,069	142,761	1,064,003	1,081,230
89,584	132,781	89,584	132,781
2,857	2,777	2,857	2,777
256,695	370,918	256,695	370,918
344	171	344	171
-	-	-	1,023
-	-	100,113	96,311
-	-	133,532	142,482
<u>920,277</u>	<u>1,124,379</u>	<u>2,303,561</u>	<u>2,518,854</u>
1,037,305	1,204,213	1,037,305	1,204,213
12,228	13,259	12,228	13,259
<u>1,049,533</u>	<u>1,217,473</u>	<u>1,049,533</u>	<u>1,217,473</u>
1,969,810	2,341,852	3,353,094	3,736,326
<u>(440,513)</u>	<u>(770,435)</u>	<u>163,202</u>	<u>(196,689)</u>
591,709	587,438	748,426	742,643
228,635	241,347	464,233	483,038
1,018	-	1,018	-
53	308	53	308
-	4,000	-	146,190
-	-	-	9,321
<u>821,415</u>	<u>833,092</u>	<u>1,213,730</u>	<u>1,381,499</u>
-	-	748,426	742,643
50,520	63,836	252,419	279,653
-	-	-	-
216,960	221,708	246,813	238,793
-	-	-	150,488
<u>267,480</u>	<u>285,544</u>	<u>1,247,658</u>	<u>1,411,577</u>
553,935	547,548	(33,928)	(30,078)
113,422	(222,887)	129,274	(226,767)
685,917	908,804	748,337	975,104
<u>\$ 799,339</u>	<u>\$ 685,917</u>	<u>\$ 877,611</u>	<u>\$ 748,337</u>

MICHIGAN DEPARTMENT OF TRANSPORTATION
NOTES TO FINANCIAL STATEMENTS
FISCAL YEAR ENDED SEPTEMBER 30, 2011

Note 1: Significant Accounting Policies

A. Reporting Entity

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

Special Revenue

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 Comprehensive Annual Financial Report (SOMCAFR). The SOMCAFR provides general disclosures regarding summary of significant accounting policies, treasurer's common cash, pension benefits, compensated absences (annual leave and sick leave accumulations), general long-term obligations, interfund receivables and payables, contingencies, and commitments.

MICHIGAN DEPARTMENT OF TRANSPORTATION
NOTES TO FINANCIAL STATEMENTS
 FISCAL YEAR ENDED SEPTEMBER 30, 2011

The Michigan Department of Transportation (MDOT) and the St. Mary's River Bridge Company (SMRBC), a Canadian 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 shall remain in effect until September 30, 2017, and is automatically renewed for successive ten-year periods 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 subject to written notice of cancellation upon one year written notice by MDOT or the SMRBC.

This is a revised intergovernmental agreement between MDOT and SMRBC, whereby the SSMBA replaced the Joint International Bridge Authority (JIBA), as established on September 1, 2000.

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 and 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.

Summary financial information for the JIBA eight month audit period ending August 31, 2009, the SSMBA's four months ending December 31, 2009, and fiscal year ending December 31, 2010 follows (In Thousands):

	<u>December 31, 2010</u>	<u>December 31, 2009</u>	<u>August 31, 2009</u>
Assets	\$ 10,568	\$ 8,251	\$ 5,785
Liabilities	4,963	4,763	2,649
Total Equity	5,605	3,601*	3,135
Total Revenues and Other Sources	7,602	2,263	3,847
Total Expenditures and Other Uses	5,598	1,911	4,856
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	\$ 2,004	\$ 352	\$ (1,010)

*Restated due to prior period adjustment of \$113.

The Mackinac Bridge Authority (Authority), a component unit of the State of Michigan, is reported in the SOMCAFR and is not reported in these statements. The Authority issues its own audited financial statements. Further information regarding the relationship between the Department and the Authority is provided in Note 10 of this report.

MICHIGAN DEPARTMENT OF TRANSPORTATION
NOTES TO FINANCIAL STATEMENTS
FISCAL YEAR ENDED SEPTEMBER 30, 2011

B. Basis of Presentation

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

Governmental Fund Types

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

Capital Projects Funds: This fund group 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.

C. Basis of Accounting

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

D. Calculation Practice

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

MICHIGAN DEPARTMENT OF TRANSPORTATION
NOTES TO FINANCIAL STATEMENTS
 FISCAL YEAR ENDED SEPTEMBER 30, 2011

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</u>	<u>Revenue</u>	<u>Debt Service Funds</u>		<u>Capital Projects Funds</u>	
	<u>Funds</u>		<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010*</u>
	<u>2011</u>	<u>2010*</u>				
Equity in Common Cash	\$185,508	\$178,365	\$ -	\$ -	\$726,475	\$329,878

The balances for the special revenue funds averaged approximately \$189.8 million and \$176.0 million* and the balances for the capital projects funds averaged approximately \$650.6 million and \$726.7 million* during fiscal years 2011 and 2010, respectively.

The Governmental Accounting Standards Board (GASB) requires certain disclosures related to custodial credit risk for deposits. Custodial credit risk of 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.

*Restated in compliance with Governmental Accounting Standards Board (GASB) statement No. 54.

MICHIGAN DEPARTMENT OF TRANSPORTATION
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Note 3: Current Receivables

A. Contested Receivables

Current receivables recorded in the financial statements represent amounts due to the Department as of September 30, 2011 and 2010, 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>2011</u>	<u>2010</u>
State Aeronautics Fund	\$ 170	\$2,268
State Trunkline Fund	1,173	700
Comprehensive Transportation Fund	<u>4</u>	<u>1</u>
Total Allowance for Doubtful Accounts	<u>\$1,347</u>	<u>\$2,969</u>

B. Taxes Receivable

In the Michigan Transportation Fund, the net amount of current receivables, \$169.6 million and \$178.6 million, and allowances for uncollectible receivables, \$63.9 million and \$78.0 million, were recorded for motor fuel taxes due to the fund as of September 30, 2011 and 2010, respectively. The reporting of a gross receivable net of a related allowance for uncollectible accounts is consistent with the treatment of other taxes receivable reported in the SOMCAFR.

C. Federal Highway Administration (FHWA) Receivable

The Department recorded federal aid receivables in the State Trunkline Fund, State Trunkline Bond Proceeds Fund, and Transportation Related Trust Fund totaling \$201.7 million and \$190.0 million for the fiscal years ending September 30, 2011 and 2010, respectively. No noncurrent federal aid receivables were recorded for the fiscal years ending September 30, 2011 and 2010.

MICHIGAN DEPARTMENT OF TRANSPORTATION
NOTES TO FINANCIAL STATEMENTS
 FISCAL YEAR ENDED SEPTEMBER 30, 2011

Note 4: Capital Assets

Capital assets owned by the Department, including property, plant, equipment, and infrastructure items (roads, bridges, ramps, railroads, rest areas, and welcome centers) are reported in the government-wide financial statements of the SOMCAFR. The capital assets reported by the Department have been expanded due to the implementation of GASB Statement No. 34. For more information on the reporting of capital assets under this Statement, see Note 9 of the SOMCAFR.

Classification: The following tables summarize, by major class of asset, fiscal year 2011 changes in reported costs for the Department's capital assets (In Millions):

	Changes in Capital Assets Fiscal Year 2011				
	Beginning Balance	Additions	Deletions	Adjustments	Ending Balance
<u>Capital assets, not depreciated:</u>					
Roads	\$11,004.5	\$201.7	(\$142.7)	\$115.4	\$11,178.9
Land	2,978.3	25.1	-	-	3,003.4
Bridges	1,738.7	183.1	(64.7)	9.1	1,866.2
Construction in Progress	1,741.9	539.0	(327.7)	137.2	2,090.3
Land Rights	-	0.2	-	-	0.2
<u>Capital assets, depreciated:</u>					
Ramps	637.4	19.9	(0.7)	-	656.5
Equipment	137.6	5.1	(7.4)	0.3	135.6
Buildings	162.6	3.8	(3.0)	2.4	165.9
Railroads	32.5	-	-	-	32.5
Rest Areas & Welcome Centers	87.4	9.4	(2.2)	-	94.6
Land Improvements	13.2	3.7	-	0.8	17.7
Airports	1.9	-	(0.3)	-	1.6
<u>Less accumulated depreciation for:</u>					
Ramps	(442.2)	(25.9)	0.7	-	(467.4)
Equipment	(87.0)	(7.3)	5.9	0.2	(88.2)
Buildings	(67.0)	(4.0)	3.0	(0.1)	(68.1)
Railroads	(23.5)	(0.8)	-	-	(24.3)
Rest Areas & Welcome Centers	(34.0)	(2.1)	1.1	-	(35.0)
Land Improvements	(1.8)	(0.7)	-	-	(2.5)
Airports	(0.8)	(0.1)	0.1	-	(0.8)
Total Capital Assets	<u>\$17,879.6</u>	<u>\$950.2</u>	<u>(\$538.0)</u>	<u>\$265.3</u>	<u>\$18,557.2</u>

MICHIGAN DEPARTMENT OF TRANSPORTATION
NOTES TO FINANCIAL STATEMENTS
FISCAL YEAR ENDED SEPTEMBER 30, 2011

Funding Source: Following is a summary of funding sources for investments in capital assets as of September 30, 2011 (In Millions):

<u>Fund</u>	<u>Investment</u>
State Trunkline Fund	\$ 18,511.7
Comprehensive Transportation Fund	24.5
State Aeronautics Fund	<u>21.0</u>
Total Investment in Capital Assets	<u>\$ 18,557.2</u>

MICHIGAN DEPARTMENT OF TRANSPORTATION
NOTES TO FINANCIAL STATEMENTS
 FISCAL YEAR ENDED SEPTEMBER 30, 2011

Note 5: General Long-Term Obligations

A. **Revenue Dedicated Bonded Debt**

The Department 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. The STF Series 1992 A and B bond issues included capital appreciation bonds (zero coupon bonds) with an ultimate maturity value of \$27.4 million. These bonds are recorded in the amount of \$26.6 million, which is the accreted value at September 30, 2011. These bonds mature in the years 2012 to 2013.

Revenue Dedicated Bonded Debt Department of Transportation (In Thousands)						
	Amounts <u>Issued</u>	<u>Outstanding</u>		Maturities		Average Interest Rate %
		<u>9/30/11</u>	<u>9/30/10</u>	<u>First Year</u>	<u>Last Year</u>	
<u>Comprehensive Transportation Fund Bonds:</u>						
Series 2001 A (Refunding)	\$ 27,765	\$ 22,295	\$ 23,750	2008	2022	5.01
Series 2002 A (Refunding)	89,620	-	6,950	2003	2011	5.07
Series 2002 B	82,310	3,950	4,460	2004	2012	5.13
Series 2003	35,020	13,895	14,905	2004	2023	3.61
Series 2005 (Refunding)	62,180	62,175	62,175	2009	2023	5.15
Series 2006 and Refunding	53,685	51,375	51,610	2007	2031	4.54
Series 2009 (Refunding)	<u>42,335</u>	<u>42,335</u>	<u>42,335</u>	2012	2019	4.11
Total Comprehensive Transportation Fund Bonds:	\$ 392,915	\$ 196,025	\$ 206,185			
<u>State Trunkline Fund Bonds:</u>						
Series 1992 A	\$ 253,618	\$ 23,457	\$ 34,131	2000	2013	5.76
Series 1992 B (Refunding)	99,592	3,103	4,515	2000	2013	5.68
Series 1998 A (Refunding)	377,890	194,845	206,335	2006	2019	5.03
Series 2001 A	308,200	7,250	14,115	2003	2012	4.96
Series 2002 (Refunding)	97,870	57,815	59,335	2004	2022	4.71
Series 2004 (Refunding)	103,450	98,260	98,305	2006	2022	4.13
Series 2004	185,710	49,725	63,225	2008	2019	4.36
Series 2005 (Refunding)	223,020	223,015	223,015	2010	2023	5.10
Series 2005 B (Refunding)	378,250	316,400	348,080	2010	2019	4.81
Series 2006	244,525	195,600	208,715	2008	2022	4.74
Series 2009 and Refunding	<u>146,190</u>	<u>146,190</u>	<u>146,190</u>	2018	2027	4.76
Total State Trunkline Fund Bonds:	\$ 2,418,315	\$ 1,315,660	\$ 1,405,961			
<u>Grant Anticipation Bonds:</u>						
Series 2007	\$ 485,115	\$ 467,245	\$ 474,585	2009	2027	4.87
Series 2009 B Taxable Build America Bonds	<u>281,910</u>	<u>281,910</u>	<u>281,910</u>	2012	2027	7.63
Total Grant Anticipation Bonds:	\$ 767,025	\$ 749,155	\$ 756,495			
Total Revenue Dedicated Bonded Debt	\$ <u>3,578,255</u>	\$ <u>2,260,840</u>	\$ <u>2,368,641</u>			

MICHIGAN DEPARTMENT OF TRANSPORTATION
NOTES TO FINANCIAL STATEMENTS
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Advance Refunding and Defeasance

The Department has issued refunding bond issues 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 the Department defeased its obligation for payment of the refunded bonded debt upon completion of the refunding transaction.

The following table summarizes the defeased bonds outstanding at September 30, 2011 and 2010:

Summary of Refunding Transactions
 (In Millions)

<u>Bond Series</u>	<u>Amount Refunded</u>	<u>Balance with Trustee</u>	
		<u>2011</u>	<u>2010</u>
State Trunkline Fund Bonds:			
Series 2001A	\$245.8	\$245.8	\$245.8
Series 2004	<u>85.2</u>	<u>85.2</u>	<u>85.2</u>
Total State Trunkline Fund Bonds	<u>\$331.1</u>	<u>\$331.1</u>	<u>\$331.1</u>
Comprehensive Transportation Fund Bonds:			
Series 2002B	\$ 64.4	\$ 52.9	\$ 56.2
Series 2003	<u>11.4</u>	<u>9.9</u>	<u>10.4</u>
Total Comprehensive Transportation Fund Bonds	<u>\$ 75.8</u>	<u>\$ 62.8</u>	<u>\$ 66.6</u>
Total	<u>\$406.9</u>	<u>\$393.9</u>	<u>\$397.6</u>

MICHIGAN DEPARTMENT OF TRANSPORTATION
NOTES TO FINANCIAL STATEMENTS
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B. Debt Service Requirements

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

FISCAL YEARS ENDING SEPTEMBER 30	STATE TRUNKLINE FUND			COMPREHENSIVE TRANSPORTATION FUND			GRANT ANTICIPATION BONDS			COMBINED TOTAL		
	PRINCIPAL	INTEREST	TOTAL	PRINCIPAL	INTEREST	TOTAL	PRINCIPAL	INTEREST	TOTAL	PRINCIPAL	INTEREST	TOTAL
2012	\$95,840	\$64,305	\$160,145	\$14,020	\$9,452	\$23,472	\$7,700	\$45,666	\$53,366	\$117,560	\$119,424	\$236,984
2013	99,985	60,130	160,115	14,635	8,838	23,473	8,045	45,345	53,390	122,665	114,313	236,978
2014	104,730	55,340	160,070	15,275	8,193	23,468	8,450	44,985	53,435	128,455	108,519	236,974
2015	110,725	49,532	160,257	15,960	7,509	23,469	8,655	44,595	53,250	135,340	101,636	236,976
2016	116,430	43,784	160,214	16,645	6,824	23,469	9,075	44,215	53,290	142,150	94,823	236,973
2017	122,520	37,695	160,215	17,470	6,031	23,501	9,515	43,776	53,291	149,505	87,502	237,007
2018	128,510	31,685	160,195	18,360	5,143	23,503	9,990	43,325	53,315	156,860	80,153	237,013
2019	134,885	25,275	160,160	19,305	4,198	23,503	10,545	42,801	53,346	164,735	72,274	237,009
2020	96,560	18,121	114,681	11,775	3,220	14,995	56,390	42,247	98,637	164,725	63,589	228,314
2021	97,720	13,118	110,838	12,390	2,608	14,998	33,375	39,287	72,662	143,485	55,013	198,498
2022	102,875	7,934	110,809	13,035	1,965	15,000	35,160	37,535	72,695	151,070	47,433	198,503
2023	75,870	3,378	79,248	2,635	1,356	3,991	45,500	35,689	81,189	124,005	40,422	164,427
2024	11,980	1,182	13,162	2,770	1,226	3,996	109,950	33,300	143,250	124,700	35,708	160,408
2025	12,590	569	13,159	2,910	1,088	3,998	117,220	26,034	143,254	132,720	27,690	160,410
2026	2,570	192	2,762	3,055	942	3,997	135,375	18,271	153,646	141,000	19,406	160,406
2027	2,700	64	2,764	3,210	789	3,999	144,210	9,434	153,644	150,120	10,287	160,407
2028	-	-	-	3,370	629	3,999	-	-	-	3,370	629	3,999
2029	-	-	-	3,535	460	3,995	-	-	-	3,535	460	3,995
2030	-	-	-	3,715	284	3,999	-	-	-	3,715	284	3,999
2031	-	-	-	1,955	98	2,053	-	-	-	1,955	98	2,053
TOTAL	\$1,316,490	\$412,306	\$1,728,796	\$196,025	\$70,852	\$266,877	\$749,155	\$596,504	\$1,345,659	\$2,261,670	\$1,079,662	\$3,341,332

C. 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 the Department continues to vigorously contest all of these claims and that the Department 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).

MICHIGAN DEPARTMENT OF TRANSPORTATION
NOTES TO FINANCIAL STATEMENTS
 FISCAL YEAR ENDED SEPTEMBER 30, 2011

Changes in General Long-term Obligations:

Changes in general long-term obligations (In Thousands) for the fiscal years ended September 30, 2011 and 2010 are summarized as follows:

	Revenue Dedicated Debt - Oversight Entity		Capital Lease Obligations	
	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>
	Bonds and Capital Lease Obligations:			
Balance – Beginning	\$ 2,368,641	\$ 2,474,489	\$ 656	\$ 723
New bond issues/capital lease additions and adjustments	-	146,190	1,018	-
Accretion on Capital Appreciation Bonds	1,610	2,342	-	-
Bond principal retirements/capital lease payments and adjustments	<u>(109,410)</u>	<u>(254,380)</u>	<u>(168)</u>	<u>(67)</u>
Balance – Ending	<u>\$ 2,260,840</u>	<u>\$ 2,368,641</u>	<u>\$ 1,505</u>	<u>\$ 656</u>

	Claims and Judgments		Compensated Absences Liabilities	
	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>
	Other Obligations:			
Balance - Beginning	\$ 2,694	\$ 438	\$ 35,272	\$ 34,300
Net increase (decrease) in estimated liabilities	<u>(1,619)</u>	<u>2,256</u>	<u>(8,347)</u>	<u>972</u>
Balance - Ending	<u>\$ 1,074</u>	<u>\$ 2,694</u>	<u>\$ 26,925</u>	<u>\$ 35,272</u>

MICHIGAN DEPARTMENT OF TRANSPORTATION
NOTES TO FINANCIAL STATEMENTS
 FISCAL YEAR ENDED SEPTEMBER 30, 2011

Note 6: Leases

The Department leases office facilities under noncancelable leasing arrangements. Most leases have cancellation clauses with one to six month 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 in the nature of acquisitions are classified as "capital" leases, therefore assets and liabilities are recorded at lease inception. Other leases are classified as "operating" leases, and these are treated as rent commitments rather than acquisitions.

Actual rental expenditures incurred under operating leases totaled \$770,094 and \$812,781 during fiscal years 2011 and 2010, respectively.

Summary of the noncancelable operating and capital leasing commitments to maturity for fiscal year 2011 follows (In Thousands):

Noncancelable Lease Commitments					
As of September 30, 2011					
Fiscal Year Ended September 30	Operating Leases	Capital Leases			
		<u>Principal</u>	<u>Interest</u>	<u>Executory</u>	<u>Total</u>
2012	\$ 551	\$ 233	\$ 226	\$ 164	\$ 624
2013	349	269	190	164	624
2014	235	311	148	164	624
2015	62	319	99	158	576
2016	-	214	48	104	366
<u>2017- 2021</u>	<u>-</u>	<u>158</u>	<u>32</u>	<u>86</u>	<u>276</u>
Total	<u>\$ 1,196</u>	<u>\$ 1,505</u>	<u>\$ 745</u>	<u>\$ 840</u>	<u>\$ 3,090</u>

The schedule above is consistent with SOMCAFR 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 of 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 SOMCAFR.

MICHIGAN DEPARTMENT OF TRANSPORTATION
NOTES TO FINANCIAL STATEMENTS
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The historical cost of assets acquired under capital leases, which are included in the government-wide statements of the SOMCAFR, at September 30, 2011 and 2010 follows (In Thousands):

	<u>2011</u>	<u>2010</u>
Buildings	\$2,115	\$ 1,098

MICHIGAN DEPARTMENT OF TRANSPORTATION
NOTES TO FINANCIAL STATEMENTS
 FISCAL YEAR ENDED SEPTEMBER 30, 2011

Note 7: Employee Benefits - Retirement and Compensated Absences

A. Retirement Contributions

Department of Transportation employees are members of the State Employees' Retirement System. Retirement contributions are expended from the Department'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.

The Department's retirement contributions were as follows (In Thousands):

	<u>2011</u>	<u>2010</u>
State Trunkline Fund	\$43,458	\$43,470
Comprehensive Transportation Fund	1,164	1,301
State Aeronautics Fund	991	1,006
Blue Water Bridge	<u>537</u>	<u>527</u>
 Total Department of Transportation Contributions	 <u>\$46,151</u>	 <u>\$46,304</u>

B. Compensated Absences

The Department 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 SOMCAFR, 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 STAMENTS
 FISCAL YEAR ENDED SEPTEMBER 30, 2011

The following table summarizes Department of Transportation related compensated absences liabilities as of September 30, 2011 and 2010 (In Thousands):

	<u>Sick Leave</u>		<u>Annual Leave</u>		<u>Banked Leave</u>		<u>Total</u>	
	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>
State Trunkline Fund	\$4,394	\$8,403	\$15,945	\$18,143	\$4,850	\$6,277	\$25,188	\$32,823
Comprehensive Transportation Fund	156	417	468	587	182	240	806	1,243
State Aeronautics Fund	248	362	354	433	136	176	738	970
Blue Water Bridge	<u>40</u>	<u>6</u> <u>0</u>	<u>124</u>	<u>137</u>	<u>29</u>	<u>38</u>	<u>193</u>	<u>235</u>
TOTAL	<u>\$4,838</u>	<u>\$9,242</u>	<u>\$16,890</u>	<u>\$19,299</u>	<u>\$5,197</u>	<u>\$6,731</u>	<u>\$26,925</u>	<u>\$35,272</u>

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

Compensated absences liabilities for persons employed at the Michigan Welcome Centers have been included in the Department's totals. The operation of the Centers was previously overseen by the Michigan Economic Development Corporation while the funding authorization was included in the Department's annual appropriation bill. The Department is now overseeing the operation of the Centers beginning in fiscal year 2011 and the funding authorization continues to be included in the Department's annual appropriation bill.

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 SOMCAFR.

MICHIGAN DEPARTMENT OF TRANSPORTATION
NOTES TO FINANCIAL STATEMENTS
FISCAL YEAR ENDED SEPTEMBER 30, 2011

Note 8: Excess of Expenditures Over Appropriation

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

The Department incurred no overexpenditures in fiscal year 2011 or in fiscal year 2010.

MICHIGAN DEPARTMENT OF TRANSPORTATION
NOTES TO FINANCIAL STATEMENTS
 FISCAL YEAR ENDED SEPTEMBER 30, 2011

Note 9: 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, motor carrier taxes, and vehicle license taxes. Before the distribution is calculated, various deductions are taken from MTF's total gross receipts. These deductions include funding for debt service payments, the Rail Grade crossing program, administrative costs for divisions within MDOT, and grants with other State agencies.

CTF receives ten percent of the remaining balance from MTF. After CTF's balance is distributed, additional deductions are taken for the 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 2011 and 2010 (In Thousands).

<u>Interfund Transactions</u>	<u>2011</u>	<u>2010</u>
MTF Distribution – STF	\$591,709	\$587,438
MTF Distribution – CTF	156,717	155,205
Other State agencies	45,424	45,349
Debt Service	43,000	43,000
Economic Development Program	40,275	40,275
Local Road Program	33,000	33,000
Local Bridge Fund	30,138	30,485
Transportation Planning	7,871	7,776
Design and Engineering Services	4,543	4,922
Rail Grade Crossing Program	3,000	3,000
Freight and Safety Services	1,651	1,743
Finance, Contracts and Support Services	1,615	1,625
Enhancement Program	<u>179</u>	<u>184</u>
 Total	 <u>\$959,122</u>	 <u>\$954,002</u>

MICHIGAN DEPARTMENT OF TRANSPORTATION
NOTES TO FINANCIAL STATEMENTS
FISCAL YEAR ENDED SEPTEMBER 30, 2011

Note 10: Component Unit - Mackinac Bridge Authority

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

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

The Authority repaid \$11,750,000 between fiscal years 1993 and 2011 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 \$51,250,000 is owed to the Michigan Transportation Fund and a balance of \$12,306,172 is owed to the State Trunkline Fund.

For the fiscal year ended September 30, 2011, a current receivable of \$1,195,618.83 is recorded in the State Trunkline Fund's balance sheet as an amount due from component units for the authority's reimbursement of payroll and related expenses. An account payable due to the Department is recorded in the Authority's balance sheet.

MICHIGAN DEPARTMENT OF TRANSPORTATION
NOTES TO FINANCIAL STATEMENTS
FISCAL YEAR ENDED SEPTEMBER 30, 2011

Note 11: Contingencies and Commitments

A. Litigation

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

The Department accrues 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, 2011 and 2010 the Department estimates the disallowance of recognized revenues will not be material to the financial statements.

C. Commitments and Encumbrances

The Department has construction and consultant commitments that will be paid with transportation related funds. As of September 30, 2011 and 2010 the balances remaining on these contracts equaled \$720.6 million and \$795.9 million, respectively. Portions of these balances, \$94.8 million as of September 30, 2011, and \$98.8 million, as of September 30, 2010, have been encumbered. As of September 30, 2011 and 2010, the balances remaining on these contracts, less the Transportation Related Trust Funds equaled \$637.9 million and \$668.0 million, respectively. As of September 30, 2011 and 2010, the balances remaining on these contracts in the State Trunkline Fund equaled \$583.2 million and \$592.8 million, respectively.

MICHIGAN DEPARTMENT OF TRANSPORTATION
NOTES TO FINANCIAL STATEMENTS
FISCAL YEAR ENDED SEPTEMBER 30, 2011

D. Advance Construction

Under an agreement with FHWA, the Department has, over a period of years, qualified a number of construction projects without placing them under a reimbursement agreement. These deferred federal aid projects may be converted to current reimbursement at the option of the Department, provided that there are adequate federal aid allocations. The arrangement was worked out between the states and the federal government so that the states could obtain federal reimbursement not received during the construction period, in case a relatively greater amount of federal aid became available at some later date or to assist in balancing the federal aid from year to year. At the end of fiscal year 2010, the Department had \$672.2 million of State Trunkline expenditures on projects not under a reimbursement agreement. \$198.9 million of these expenditures were placed a under reimbursement agreement by the end of fiscal year 2011. The remaining \$473.3 million is included in the fiscal year 2011 amount below. At the end of fiscal year 2011, the Department had \$537.7 million of State Trunkline expenditures on projects not under a reimbursement agreement.

MICHIGAN DEPARTMENT OF TRANSPORTATION
NOTES TO FINANCIAL STATEMENTS
FISCAL YEAR ENDED SEPTEMBER 30, 2011

Note 12: Subsequent Events

On November 1, 2011, the Department issued State of Michigan Comprehensive Transportation Refunding Bonds, Series 2011 in the amount of \$18.5 million as fully registered bonds bearing interest which is payable semi-annually commencing May 15, 2012. Proceeds of this issuance were used to refund Comprehensive Transportation Bonds, Series 2001A in the amount of \$20.8 million. A deposit was also made in the Michigan Department of Transportation 2011 Bond Proceeds Fund in the amount of \$.2 million.

On December 20, 2011, the Department issued State of Michigan State Trunkline Fund Bonds, Series 2011 in the amount of \$91.0 million as fully registered bonds bearing interest which is payable semi-annually commencing May 15, 2012. Proceeds of this issuance were deposited into the Michigan Department of Transportation's 2011 Bond Proceeds Fund in the amount of \$101.3 million.



FUND DESCRIPTIONS

**COMBINING FINANCIAL STATEMENTS
AND
SCHEDULES**

MICHIGAN DEPARTMENT OF TRANSPORTATION
DESCRIPTIONS OF SPECIAL REVENUE FUNDS
FISCAL YEAR ENDED SEPTEMBER 30, 2011

MICHIGAN TRANSPORTATION FUND

This fund, established by Public Act 51 of 1951, Section 10, as amended, is administered jointly by the Department of Transportation and the Department of State. In addition, some of the fund revenue is collected by the Department of Treasury. The fund is a receiving fund for the several tax revenues dedicated to highway purposes. Transfers are made to 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, 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.



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MICHIGAN DEPARTMENT OF TRANSPORTATION
COMBINING BALANCE SHEET - SPECIAL REVENUE FUNDS
 SEPTEMBER 30, 2011 and 2010
 (In Thousands)

	MICHIGAN TRANSPORTATION FUND		COMPREHENSIVE TRANSPORTATION FUND		TOTALS	
	2011	2010*	2011	2010*	2011	2010*
ASSETS						
Current Assets:						
Cash and cash equivalents	\$ -	\$ -	\$ 13	\$ -	\$ 13	\$ -
Equity in Common Cash	129,721	133,747	55,787	44,618	185,508	178,365
Receivables:						
Taxes, interest, and penalties (at net)	105,764	100,665			105,764	100,665
Federal aid	-	-	18,726	17,982	18,726	17,982
Local units	-	-	892	1,209	892	1,209
Other funds	-	-	25,017	17,899	25,017	17,899
Component Units	-	-	-	-	-	-
Other Current Assets	15	12	43	47	59	58
Inventories	-	-	-	-	-	-
Total Current Assets	<u>235,501</u>	<u>234,423</u>	<u>100,479</u>	<u>81,756</u>	<u>335,979</u>	<u>316,180</u>
Noncurrent Assets:						
Receivables:						
Taxes	2,619	3,293	-	-	2,619	3,293
Federal aid	-	-	-	-	-	-
Local units	-	-	3,063	4,410	3,063	4,410
Advances to other funds	-	-	-	-	-	-
Land contracts	-	-	-	-	-	-
Miscellaneous	-	-	577	653	577	653
Total Noncurrent Assets	<u>2,619</u>	<u>3,293</u>	<u>3,640</u>	<u>5,063</u>	<u>6,259</u>	<u>8,355</u>
Total Assets	<u>\$ 238,119</u>	<u>\$ 237,716</u>	<u>\$ 104,118</u>	<u>\$ 86,819</u>	<u>\$ 342,238</u>	<u>\$ 324,535</u>
LIABILITIES AND FUND BALANCES						
Current Liabilities:						
Warrants outstanding	\$ 589	\$ 301	\$ 416	\$ 91	\$ 1,005	\$ 392
Accounts payable	195,801	196,361	23,514	22,039	219,315	218,401
Contract reserve payable	-	-	-	-	-	-
Amounts due to other funds	27,010	28,261	50	48	27,061	28,309
Deposits, permits and other liabilities	-	-	708	1,567	708	1,567
Deferred revenue	12,100	9,500	356	2	12,456	9,502
Total Current Liabilities	<u>235,501</u>	<u>234,423</u>	<u>25,045</u>	<u>23,746</u>	<u>260,545</u>	<u>258,170</u>
Long-Term Liabilities:						
Deferred revenue	2,619	3,293	802	653	3,421	3,946
Advances from other funds	-	-	-	-	-	-
Total Liabilities	<u>238,119</u>	<u>237,716</u>	<u>25,847</u>	<u>24,399</u>	<u>263,966</u>	<u>262,115</u>
Fund Balances:						
Nonspendable	-	-	-	-	-	-
Restricted	-	-	78,272	62,420	78,272	62,420
Committed	-	-	-	-	-	-
Assigned	-	-	-	-	-	-
Total Fund Balances	<u>78,272</u>	<u>62,420</u>	<u>78,272</u>	<u>62,420</u>	<u>78,272</u>	<u>62,420</u>
Total Liabilities and Fund Balances	<u>\$ 238,119</u>	<u>\$ 237,716</u>	<u>\$ 104,118</u>	<u>\$ 86,819</u>	<u>\$ 342,238</u>	<u>\$ 324,535</u>

* In compliance with the Governmental Accounting Standards Board (GASB) statement No. 54, 2010 fund balance information has been restated.

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
SPECIAL REVENUE FUNDS
FISCAL YEARS ENDED SEPTEMBER 30, 2011 and 2010
(In Thousands)

	MICHIGAN TRANSPORTATION FUND		COMPREHENSIVE TRANSPORTATION FUND		TOTALS	
	2011	2010	2011	2010	2011	2010
REVENUES						
Taxes	\$ 1,817,337	\$ 1,804,172	\$ 90,025	\$ 76,778	\$ 1,907,362	\$ 1,880,950
License and permits	30,691	30,366	405	363	31,096	30,729
Federal aid	-	-	42,312	50,217	42,312	50,217
Local participation	-	-	-	-	-	-
Interest earnings on common cash	283	349	37	85	320	434
Services	3,493	3,396	-	-	3,493	3,396
Non-operating revenue-bridges	-	-	-	-	-	-
Miscellaneous	3	739	2,413	1,755	2,416	2,494
Total Revenues	<u>1,851,808</u>	<u>1,839,023</u>	<u>135,192</u>	<u>129,198</u>	<u>1,986,999</u>	<u>1,968,221</u>
EXPENDITURES						
Administration and Operations:						
Administration and maintenance	8,934	8,436	9,163	10,140	18,097	18,576
Bus operating assistance grants	-	-	194,608	197,613	194,608	197,613
Other grants	892,987	886,176	43,947	52,293	936,934	938,469
Airport development	-	-	-	-	-	-
Non-operating expenditures-bridges	-	-	-	-	-	-
Trust fund construction activity	-	-	-	-	-	-
Capital lease payments	-	-	-	-	-	-
Total Administration and Operations	<u>901,921</u>	<u>894,612</u>	<u>247,718</u>	<u>260,046</u>	<u>1,149,640</u>	<u>1,154,659</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>901,921</u>	<u>894,612</u>	<u>247,718</u>	<u>260,046</u>	<u>1,149,640</u>	<u>1,154,659</u>
Excess of Revenues Over (Under) Expenditures	<u>949,886</u>	<u>944,410</u>	<u>(112,526)</u>	<u>(130,848)</u>	<u>837,360</u>	<u>813,562</u>
OTHER FINANCING SOURCES						
Michigan transportation fund distribution	-	-	156,717	155,205	156,717	155,205
Grants and transfers from other funds	302	1,155	1,651	1,743	1,953	2,898
Capital Lease Acquisitions	-	-	-	-	-	-
Proceeds from sale of capital assets	-	-	-	-	-	-
Proceeds from bonds and notes issued	-	-	-	-	-	-
Premium on bonds issued	-	-	-	-	-	-
Total Other Financing Sources	<u>302</u>	<u>1,155</u>	<u>158,368</u>	<u>156,948</u>	<u>158,670</u>	<u>158,103</u>
OTHER FINANCING USES						
Michigan transportation fund distribution	748,426	742,643	-	-	748,426	742,643
Grants and transfers to other funds	201,762	202,923	137	12,894	201,899	215,817
Discount on bonds issued	-	-	-	-	-	-
Debt service	-	-	29,853	17,085	29,853	17,085
Total Other Financing Uses	<u>950,188</u>	<u>945,566</u>	<u>29,990</u>	<u>29,979</u>	<u>980,178</u>	<u>975,545</u>
Excess of Other Financing Sources Over (Under) Other Financing Uses	<u>(949,886)</u>	<u>(944,410)</u>	<u>128,378</u>	<u>126,969</u>	<u>(821,508)</u>	<u>(817,442)</u>
Excess of Revenue and Other Sources Over (Under) Expenditures and Other Uses	-	-	15,852	(3,880)	15,852	(3,880)
Fund balances-Beginning of fiscal year			62,420	66,300	62,420	66,300
Fund balances-End of fiscal year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 78,272</u>	<u>\$ 62,420</u>	<u>\$ 78,272</u>	<u>\$ 62,420</u>

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, 2011
 (In Thousands)

(Statutory/Budgetary Basis)	MICHIGAN TRANSPORTATION FUND		
	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
REVENUES			
Taxes	\$ 1,817,337	\$ 1,817,337	\$ -
License and permits	30,691	30,691	-
Federal aid	-	-	-
Local participation	-	-	-
Interest earnings	283	283	-
Services	3,493	3,493	-
Non-operating revenue-bridges	-	-	-
Miscellaneous and Service revenue	3	3	-
Total Revenues	<u>1,851,808</u>	<u>1,851,808</u>	<u>-</u>
EXPENDITURES AND ENCUMBRANCES			
Administration	9,621	8,934	686
Bus operating assistance grants	-	-	-
Other grants	892,987	892,987	-
Airport development	-	-	-
Nonoperating expenditure-bridges	-	-	-
Total Administration and Operations	<u>902,608</u>	<u>901,921</u>	<u>687</u>
Roads and bridges	-	-	-
Other capital outlay	-	-	-
Total Capital Outlay	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures and Encumbrances	<u>902,608</u>	<u>901,921</u>	<u>687</u>
Excess of Revenue Over (Under) Expenditures and Encumbrances	<u>949,200</u>	<u>949,886</u>	<u>687</u>
OTHER FINANCING SOURCES			
Michigan transportation fund distribution	-	-	-
Grants and transfers from other funds	302	302	-
Total Financing Sources	<u>302</u>	<u>302</u>	<u>-</u>
OTHER FINANCING USES			
Michigan transportation fund distribution	748,426	748,426	-
Grants and transfers to other funds	204,742	201,762	2,980
Debt service	-	-	-
Total Financing Uses	<u>953,168</u>	<u>950,188</u>	<u>2,980</u>
Excess Other Financing Sources Over(Under) Other Financing Uses	<u>(952,866)</u>	<u>(949,886)</u>	<u>2,980</u>
Excess of Revenue and Other Financing Sources Over(Under) Expenditures, Encumbrances and Other Financing Uses	\$ <u>(3,667)</u>	-	\$ <u>3,667</u>
RECONCILING ITEMS			
Encumbrances at September 30		-	
Funds not annually budgeted		-	
Net Reconciling Items		-	
Excess of Revenue and Other Financing Sources Over(Under) Expenditures and Other Financing Uses (GAAP Basis)		-	
FUND BALANCES (GAAP BASIS)			
Beginning balance		-	
Ending balances (GAAP Basis)		\$ <u>-</u>	

COMPREHENSIVE TRANSPORTATION FUND			TOTALS		
BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
\$ 90,025	\$ 90,025	\$ -	\$ 1,907,362	\$ 1,907,362	\$ -
405	405	-	31,096	31,096	-
42,312	42,312	-	42,312	42,312	-
-	-	-	-	-	-
37	37	-	320	320	-
-	-	-	3,493	3,493	-
-	-	-	-	-	-
2,413	2,413	-	2,416	2,416	-
135,192	135,192	-	1,986,999	1,986,999	-
12,483	9,308	3,174	22,103	18,242	3,861
195,687	195,687	-	195,687	195,687	-
77,821	77,086	735	970,808	970,073	736
-	-	-	-	-	-
-	-	-	-	-	-
285,990	282,081	3,910	1,188,598	1,184,002	4,596
-	-	-	-	-	-
-	-	-	-	-	-
285,990	282,081	3,910	1,188,598	1,184,002	4,596
(150,799)	(146,889)	3,910	798,401	802,997	4,596
156,717	156,717	-	156,717	156,717	-
1,651	1,651	-	1,953	1,953	-
158,368	158,368	-	158,670	158,670	-
-	-	-	748,426	748,426	0
200	137	63	204,942	201,899	3,043
29,853	29,853	-	29,853	29,853	0
30,053	29,990	63	983,221	980,178	3,043
128,315	128,378	63	(824,551)	(821,508)	3,043
\$ <u>(22,483)</u>	<u>(18,511)</u>	\$ <u>3,972</u>	\$ <u>(26,150)</u>	<u>(18,511)</u>	\$ <u>7,639</u>
	34,363			34,363	
	-			-	
	34,363			34,363	
	15,852			15,852	
	62,420			62,420	
	\$ <u>78,272</u>			\$ <u>78,272</u>	

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, 2010
 (In Thousands)

(Statutory/Budgetary Basis)	MICHIGAN TRANSPORTATION FUND		
	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
REVENUES			
Taxes	\$ 1,804,172	\$ 1,804,172	\$ -
License and permits	30,366	30,366	-
Federal aid	-	-	-
Local participation	-	-	-
Interest earnings	349	349	-
Services	3,396	3,396	-
Non-operating revenue-bridges	-	-	-
Miscellaneous and Service revenue	739	739	-
Total Revenues	<u>1,839,023</u>	<u>1,839,023</u>	<u>-</u>
EXPENDITURES AND ENCUMBRANCES			
Administration	8,632	8,436	196
Bus operating assistance grants	-	-	-
Other grants	891,314	886,176	5,138
Airport development	-	-	-
Nonoperating expenditure-bridges	-	-	-
Total Administration and Operations	<u>899,946</u>	<u>894,612</u>	<u>5,334</u>
Roads and bridges	-	-	-
Other capital outlay	-	-	-
Total Capital Outlay	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures and Encumbrances	<u>899,946</u>	<u>894,612</u>	<u>5,334</u>
Excess of Revenue Over(Under) Expenditures and Encumbrances	<u>939,076</u>	<u>944,410</u>	<u>5,334</u>
OTHER FINANCING SOURCES			
Michigan transportation fund distribution	-	-	-
Grants and transfers from other funds	1,155	1,155	-
Proceeds of sale of capital assets	-	-	-
Total Financing Sources	<u>1,155</u>	<u>1,155</u>	<u>-</u>
OTHER FINANCING USES			
Michigan transportation fund distribution	746,465	742,643	3,822
Grants and transfers to other funds	204,526	202,923	1,603
Discount on bonds issued	-	-	-
Debt service	-	-	-
Total Financing Uses	<u>950,991</u>	<u>945,566</u>	<u>5,425</u>
Excess Other Financing Sources Over(Under) Other Financing Uses	<u>(949,836)</u>	<u>(944,410)</u>	<u>5,425</u>
Excess of Revenue and Other Financing Sources Over(Under) Expenditures, Encumbrances and Other Financing Uses	<u>\$ (10,759)</u>	<u>-</u>	<u>\$ 10,759</u>
RECONCILING ITEMS			
Encumbrances at September 30		-	
Funds not annually budgeted		-	
Net Reconciling Items		<u>-</u>	
Excess of Revenue and Other Financing Sources Over(Under) Expenditures and Other Financing Uses (GAAP Basis)		<u>-</u>	
FUND BALANCES (GAAP BASIS)			
Beginning balance			
Ending balances (GAAP Basis)		<u>\$ -</u>	

* In compliance with the Governmental Accounting Standards Board (GASB) statement No. 54, the 2010 Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances- Budget and Actual has been restated.

COMPREHENSIVE TRANSPORTATION FUND			TOTALS		
BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
\$ 76,778	\$ 76,778	\$ -	\$ 1,880,950	\$ 1,880,950	\$ -
363	363	-	30,729	30,729	-
50,217	50,217	-	50,217	50,217	-
-	-	-	-	-	-
85	85	-	434	434	-
-	-	-	3,396	3,396	-
-	-	-	-	-	-
1,755	1,755	-	2,494	2,494	-
129,198	129,198	-	1,968,221	1,968,221	-
12,528	10,764	1,763	21,160	19,200	1,960
198,913	198,911	3	198,913	198,911	3
85,205	84,094	1,111	976,519	970,270	6,249
-	-	-	-	-	-
-	-	-	-	-	-
296,646	293,769	2,877	1,196,592	1,188,381	8,211
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
296,646	293,769	2,877	1,196,592	1,188,381	8,211
(167,448)	(164,571)	2,877	771,629	779,840	8,211
155,205	155,205	-	155,205	155,205	-
1,743	1,743	-	2,898	2,898	-
-	-	-	-	-	-
156,948	156,948	-	158,103	158,103	-
-	-	-	746,465	742,643	3,822
13,000	12,894	106	217,526	215,817	1,709
-	-	-	-	-	-
29,843	17,085	12,758	29,843	17,085	12,758
42,843	29,979	12,864	993,834	975,545	18,289
114,104	126,969	12,864	(835,731)	(817,442)	18,289
\$ <u>(53,343)</u>	<u>(37,602)</u>	\$ <u>15,741</u>	\$ <u>(64,102)</u>	<u>(37,602)</u>	\$ <u>26,500</u>
	33,722			33,722	
	-			-	
	<u>33,722</u>			<u>33,722</u>	
	(3,880)			(3,880)	
	66,300			66,300	
	\$ <u>62,420</u>			\$ <u>62,420</u>	

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

STATE TRUNKLINE FUND

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

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

BLUE WATER BRIDGE FUND

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

STATE AERONAUTICS FUND

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

COMBINED STATE TRUNKLINE BOND PROCEEDS FUND

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

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

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

COMBINED STATE TRUNKLINE BOND PROCEEDS FUND (continued)

2001 BUILD MICHIGAN III BOND PROCEEDS FUND

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

2009 JOBS TODAY AND ECONOMIC STIMULUS TAXABLE BUILDAMERICA GRANT ANTICIPATION BOND PROCEEDS FUND

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

2009 STATE TRUNKLINE FUND BOND PROCEEDS FUND

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

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

COMBINED COMPREHENSIVE TRANSPORTATION BOND PROCEEDS FUND

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

2002 COMPREHENSIVE TRANSPORTATION FUND BOND PROCEEDS FUND

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

2003 COMPREHENSIVE TRANSPORTATION FUND BOND PROCEEDS FUND

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

2006 COMPREHENSIVE TRANSPORTATION FUND BOND PROCEEDS FUND

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

TRANSPORTATION RELATED TRUST FUND

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

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

TRANSPORTATION RELATED TRUST FUND (continued)

The following sub-funds are included:

SPECIAL FEDERAL BRIDGE REPLACEMENT TRUST FUND

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

FEDERAL COUNTY ROAD TRUST FUND

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

FEDERAL URBAN TRANSPORTATION SYSTEM TRUST FUND

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

HIGHWAY TOPICS AND SAFETY PROGRAM TRUST FUND

This fund was established in conjunction with the Federal Highway Acts of 1968 and 1973.

The fund accounts for federal and state money used to fund urban and road safety projects.

METROPOLITAN PLANNING FUND

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

MICHIGAN DEPARTMENT OF TRANSPORTATION
COMBINING BALANCE SHEET - CAPITAL PROJECTS FUNDS
 SEPTEMBER 30, 2011 and 2010
 (In Thousands)

	STATE TRUNKLINE FUND (excluding Blue Water Bridge Fund)		BLUE WATER BRIDGE FUND	
	2011	2010*	2011	2010*
ASSETS				
Current Assets:				
Cash and cash equivalents	\$ 660	\$ 137	\$ 53	\$ 64
Equity in Common Cash	562,612	162,327	42,440	28,149
Receivables:				
Taxes, interest, and penalties (at net)	-	-	-	-
Federal aid	162,949	135,516	-	-
Local units	15,964	18,251	-	-
Other funds	21,033	341,676	-	-
Component Units	1,196	1,950	-	-
Other Current Assets	2,429	2,763	477	257
Inventories	12,933	16,810	-	-
Total Current Assets	<u>779,776</u>	<u>679,430</u>	<u>42,969</u>	<u>28,471</u>
Noncurrent Assets:				
Receivables:				
Taxes	-	-	-	-
Federal aid	-	-	-	-
Local units	25,865	30,400	-	-
Advances to other funds	-	-	-	-
Land contracts	417	445	-	-
Miscellaneous	-	-	-	-
Total Noncurrent Assets	<u>26,282</u>	<u>30,845</u>	<u>-</u>	<u>-</u>
Total Assets	<u>\$ 806,057</u>	<u>\$ 710,275</u>	<u>\$ 42,969</u>	<u>\$ 28,471</u>
LIABILITIES AND FUND BALANCES				
Current Liabilities:				
Warrants outstanding	\$ 2,405	\$ 5,737	\$ 6	\$ 4
Accounts payable	155,391	168,325	300	286
Contract reserve payable	1,819	2,730	-	-
Amounts due to other funds	1,756	1,512	19	16
Deposits, permits and other liabilities	2,883	1,726	-	-
Deferred revenue	4,033	2,483	1,019	998
Total Current Liabilities	<u>168,288</u>	<u>182,513</u>	<u>1,344</u>	<u>1,304</u>
Long-Term Liabilities:				
Deferred revenue	467	445	-	-
Advances from other funds	-	-	-	-
Total Liabilities	<u>168,755</u>	<u>182,959</u>	<u>1,344</u>	<u>1,304</u>
Fund Balances:				
Nonspendable	12,933	16,810	-	-
Restricted	624,369	510,506	41,626	27,166
Committed	-	-	-	-
Assigned	-	-	-	-
Total Fund Balances	<u>637,303</u>	<u>527,317</u>	<u>41,626</u>	<u>27,166</u>
Total Liabilities and Fund Balances	<u>\$ 806,057</u>	<u>\$ 710,275</u>	<u>\$ 42,969</u>	<u>\$ 28,471</u>

* In compliance with the Governmental Accounting Standards Board (GASB) statement No. 54, 2010 fund balance information has been restated.
 **To reflect consistency, 2010 amounts due to other funds, and 2010 accounts payable for Blue Water Bridge has been restated.

STATE AERONAUTICS FUND		COMBINED TRUNKLINE BOND PROCEEDS FUND		COMBINED COMPREHENSIVE TRANSPORTATION BOND PROCEEDS FUND	
2011	2010*	2011	2010*	2011	2010*
\$ 1	\$ -	\$ -	\$ -	\$ -	\$ -
13,305	18,590	52,318	66,560	55,799	54,252
657	710	-	-	-	-
20,510	28,558	890	237	-	-
11,621	8,953	773	510	-	-
-	-	-	-	-	-
-	-	-	-	-	-
71	45	-	-	-	-
-	-	-	-	-	-
<u>46,166</u>	<u>56,857</u>	<u>53,982</u>	<u>67,307</u>	<u>55,799</u>	<u>54,252</u>
-	-	-	-	-	-
-	-	-	-	-	-
206	250	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>206</u>	<u>250</u>				
\$ <u>46,372</u>	\$ <u>57,107</u>	\$ <u>53,982</u>	\$ <u>67,307</u>	\$ <u>55,799</u>	\$ <u>54,252</u>
\$ 69	\$ 28	\$ -	\$ 44	\$ 45	\$ -
15,071	27,311	6,591	9,303	4,803	1,983
12	14	182	321	-	-
45	37	-	-	-	-
8,133	7,550	-	-	-	-
-	6	791	635	-	-
<u>23,330</u>	<u>34,946</u>	<u>7,564</u>	<u>10,302</u>	<u>4,847</u>	<u>1,983</u>
-	-	-	-	-	-
-	-	-	-	-	-
<u>23,330</u>	<u>34,946</u>	<u>7,564</u>	<u>10,302</u>	<u>4,847</u>	<u>1,983</u>
-	-	-	-	-	-
23,042	22,161	46,417	57,004	50,952	52,269
-	-	-	-	-	-
-	-	-	-	-	-
<u>23,042</u>	<u>22,161</u>	<u>46,417</u>	<u>57,004</u>	<u>50,952</u>	<u>52,269</u>
\$ <u>46,372</u>	\$ <u>57,107</u>	\$ <u>53,982</u>	\$ <u>67,307</u>	\$ <u>55,799</u>	\$ <u>54,252</u>

ASSETS	TRANSPORTATION RELATED TRUST FUND		TOTALS	
	2011	2010*	2011	2010*
Current Assets:				
Cash and cash equivalents	\$ 447	\$ 2,142	\$ 1,159	\$ 2,344
Equity in Common Cash	-	-	726,475	329,878
Receivables:				
Taxes, interest, and penalties (at net)	-	-	657	710
Federal aid	37,846	54,235	222,196	218,546
Local units	30,904	23,915	59,263	51,629
Other funds	-	-	21,033	341,676
Component Units	-	-	1,196	1,950
Other Current Assets	-	-	2,976	3,065
Inventories	-	-	12,933	16,810
Total Current Assets	<u>69,197</u>	<u>80,292</u>	<u>1,047,888</u>	<u>966,608</u>
Noncurrent Assets:				
Receivables:				
Taxes	-	-	-	-
Federal aid	-	-	-	-
Local units	-	-	26,071	30,650
Advances to other funds	-	-	-	-
Land contracts	-	-	417	445
Miscellaneous	-	-	-	-
Total Noncurrent Assets			<u>26,488</u>	<u>31,095</u>
Total Assets	<u>\$ 69,197</u>	<u>\$ 80,292</u>	<u>\$ 1,074,376</u>	<u>\$ 997,704</u>
LIABILITIES AND FUND BALANCES				
Current Liabilities:				
Warrants outstanding	\$ 1,466	\$ 775	\$ 3,990	\$ 6,588
Accounts payable	36,887	52,133	219,043	259,340
Contract reserve payable	656	1,685	2,668	4,750
Amounts due to other funds	19,040	13,043	20,860	14,608
Deposits, permits and other liabilities	11,148	12,656	22,164	21,932
Deferred revenue	-	-	5,844	4,122
Total Current Liabilities	<u>69,197</u>	<u>80,292</u>	<u>274,569</u>	<u>311,341</u>
Long-Term Liabilities:				
Deferred revenue			467	446
Advances from other funds				
Total Liabilities	<u>69,197</u>	<u>80,292</u>	<u>275,036</u>	<u>311,786</u>
Fund Balances:				
Nonspendable	-	-	12,933	16,810
Restricted	-	-	786,406	669,107
Committed	-	-	-	-
Assigned	-	-	-	-
Total Fund Balances	<u>-</u>	<u>-</u>	<u>799,339</u>	<u>685,917</u>
Total Liabilities and Fund Balances	<u>\$ 69,197</u>	<u>\$ 80,292</u>	<u>\$ 1,074,376</u>	<u>\$ 997,704</u>



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MICHIGAN DEPARTMENT OF TRANSPORTATION
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
CAPITAL PROJECTS FUNDS
FISCAL YEARS ENDED SEPTEMBER 30, 2011 and 2010
(In Thousands)

	STATE TRUNKLINE FUND (excluding Blue Water Bridge Fund)		BLUE WATER BRIDGE FUND	
	2011	2010*	2011	2010
REVENUES				
Taxes	\$ -	\$ -	\$ -	\$ -
License and permits	16,368	5,357	-	-
Federal aid	1,001,678	934,843	-	-
Local participation	16,955	16,115	-	-
Interest earnings on common cash	854	1,452	61	53
Services	759	54	-	-
Non-operating revenue-bridges	2,997	2,928	-	-
Miscellaneous	24,005	25,527	21,873	19,080
Total Revenues	<u>1,063,617</u>	<u>986,277</u>	<u>21,934</u>	<u>19,133</u>
EXPENDITURES				
Administration and Operations:				
Administration and maintenance	428,220	464,904	4,675	2,871
Other grants	115,587	121,239	-	-
Airport development	-	-	-	-
Non-operating expenditures-bridges	2,857	2,777	-	-
Trust fund construction activity	-	-	-	-
Capital lease payments	344	171	-	-
Total Administration and Operations	<u>547,007</u>	<u>589,092</u>	<u>4,675</u>	<u>2,871</u>
Capital Outlay:				
Roads and bridges	982,440	1,066,208	557	895
Other capital outlay	10,574	12,884	-	-
Total Capital Outlay	<u>993,014</u>	<u>1,079,091</u>	<u>557</u>	<u>895</u>
Total Expenditures	<u>1,540,022</u>	<u>1,668,183</u>	<u>5,233</u>	<u>3,766</u>
Excess of Revenues Over (Under) Expenditures	<u>(476,405)</u>	<u>(681,905)</u>	<u>16,701</u>	<u>15,366</u>
OTHER FINANCING SOURCES				
Michigan transportation fund distribution	591,709	587,438	-	-
Grants and transfers from other funds	209,468	222,588	-	-
Capital Lease Acquisitions	1,018	-	-	-
Proceeds from sale of capital assets	53	308	-	-
Proceeds from bonds and notes issued	-	-	-	-
Premium on bonds issued	-	-	-	-
Total Other Financing Sources	<u>802,247</u>	<u>810,334</u>	<u>-</u>	<u>-</u>
OTHER FINANCING USES				
Michigan transportation fund distribution	-	-	-	-
Grants and transfers to other funds	4,569	5,563	25	55
Discount on bonds issued	-	-	-	-
Debt service	211,288	216,095	2,216	2,141
Total Other Financing Uses	<u>215,856</u>	<u>221,658</u>	<u>2,242</u>	<u>2,196</u>
Excess of Other Financing Sources Over (Under) Other Financing Uses	<u>586,391</u>	<u>588,675</u>	<u>(2,242)</u>	<u>(2,196)</u>
Excess of Revenue and Other Sources Over (Under) Expenditures and Other Uses	109,986	(93,230)	14,459	13,171
Fund balances-Beginning of fiscal year	527,317	620,547	27,166	13,995
Fund balances-End of fiscal year	<u>\$ 637,303</u>	<u>\$ 527,317</u>	<u>\$ 41,626</u>	<u>\$ 27,166</u>

*To reflect consistency, the 2010 expenditures of administration and maintenance, and other grants for the State Trunkline fund have been restated.

STATE AERONAUTICS FUND		COMBINED TRUNKLINE BOND PROCEEDS FUND		COMBINED COMPREHENSIVE TRANSPORTATION BOND PROCEEDS FUND	
2011	2010	2011	2010	2011	2010
\$ 5,621	\$ 5,422	\$ -	\$ -	\$ -	\$ -
375	325	-	-	-	-
81,857	118,528	89,742	58,534	-	-
13	15	338	410	-	-
35	61	139	388	110	177
571	575	-	-	-	-
-	-	-	-	-	-
3,648	10,111	4,532	448	70	94
<u>92,119</u>	<u>135,038</u>	<u>94,751</u>	<u>59,781</u>	<u>181</u>	<u>271</u>
6,228	6,643	4,534	459	70	94
-	-	664	2,074	10,818	19,448
87,033	130,897	-	-	2,551	1,884
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>93,261</u>	<u>137,539</u>	<u>5,198</u>	<u>2,533</u>	<u>13,440</u>	<u>21,426</u>
-	-	54,308	137,110	-	-
428	139	-	-	1,226	237
<u>428</u>	<u>139</u>	<u>54,308</u>	<u>137,110</u>	<u>1,226</u>	<u>237</u>
<u>93,689</u>	<u>137,679</u>	<u>59,506</u>	<u>139,643</u>	<u>14,665</u>	<u>21,663</u>
<u>(1,570)</u>	<u>(2,641)</u>	<u>35,245</u>	<u>(79,862)</u>	<u>(14,485)</u>	<u>(21,393)</u>
-	-	-	-	-	-
6,000	6,000	-	-	13,168	12,758
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	4,000	-	-
-	-	-	-	-	-
<u>6,000</u>	<u>6,000</u>	<u>-</u>	<u>4,000</u>	<u>13,168</u>	<u>12,758</u>
-	-	-	-	-	-
94	96	45,832	58,122	-	-
-	-	-	-	-	-
3,456	3,472	-	-	-	-
<u>3,550</u>	<u>3,568</u>	<u>45,832</u>	<u>58,122</u>	<u>-</u>	<u>-</u>
<u>2,450</u>	<u>2,432</u>	<u>(45,832)</u>	<u>(54,122)</u>	<u>13,168</u>	<u>12,758</u>
880	(209)	(10,587)	(133,984)	(1,317)	(8,634)
22,161	22,370	57,004	190,989	52,269	60,903
<u>\$ 23,042</u>	<u>\$ 22,161</u>	<u>\$ 46,417</u>	<u>\$ 57,004</u>	<u>\$ 50,952</u>	<u>\$ 52,269</u>

	TRANSPORTATION RELATED TRUST FUND		TOTALS	
	2011	2010	2011	2010
REVENUES				
Taxes	\$ -	\$ -	\$ 5,621	\$ 5,422
License and permits	-	-	16,743	5,682
Federal aid	255,464	368,980	1,428,740	1,480,886
Local participation	-	-	17,305	16,540
Interest earnings on common cash	-	-	1,199	2,132
Services	-	-	1,330	629
Non-operating revenue-bridges	-	-	2,997	2,928
Miscellaneous	1,231	1,937	55,360	57,198
Total Revenues	<u>256,695</u>	<u>370,918</u>	<u>1,529,297</u>	<u>1,571,417</u>
EXPENDITURES				
Administration and Operations:				
Administration and maintenance	-	-	443,728	474,971
Other grants	-	-	127,069	142,761
Airport development	-	-	89,584	132,781
Non-operating expenditures-bridges	-	-	2,857	2,777
Trust fund construction activity	256,695	370,918	256,695	370,918
Capital lease payments	-	-	344	171
Total Administration and Operations	<u>256,695</u>	<u>370,918</u>	<u>920,277</u>	<u>1,124,379</u>
Capital Outlay:				
Roads and bridges	-	-	1,037,305	1,204,213
Other capital outlay	-	-	12,228	13,259
Total Capital Outlay	<u>-</u>	<u>-</u>	<u>1,049,533</u>	<u>1,217,473</u>
Total Expenditures	<u>256,695</u>	<u>370,918</u>	<u>1,969,810</u>	<u>2,341,852</u>
Excess of Revenues Over (Under) Expenditures	<u>-</u>	<u>-</u>	<u>(440,513)</u>	<u>(770,435)</u>
OTHER FINANCING SOURCES				
Michigan transportation fund distribution	-	-	591,709	587,438
Grants and transfers from other funds	-	-	228,635	241,347
Capital Lease Acquisitions	-	-	1,018	-
Proceeds from sale of capital assets	-	-	53	308
Proceeds from bonds issued	-	-	-	4,000
Premium on bond issues	-	-	-	-
Total Other Financing Sources	<u>-</u>	<u>-</u>	<u>821,415</u>	<u>833,092</u>
OTHER FINANCING USES				
Michigan transportation fund distribution	-	-	-	-
Grants and transfers to other funds	-	-	50,520	63,836
Discount on bonds issued	-	-	-	-
Debt service	-	-	216,960	221,708
Total Other Financing Uses	<u>-</u>	<u>-</u>	<u>267,480</u>	<u>285,544</u>
Excess of Other Financing Sources Over (Under) Other Financing Uses	<u>-</u>	<u>-</u>	<u>553,935</u>	<u>547,548</u>
Excess of Revenue and Other Sources Over (Under) Expenditures and Other Uses	-	-	113,422	(222,887)
Fund balances-Beginning of fiscal year	-	-	685,917	908,804
Fund balances-End of fiscal year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 799,339</u>	<u>\$ 685,917</u>



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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, 2011
 (In Thousands)

(Statutory/Budgetary Basis)	STATE TRUNKLINE FUND (excluding Blue Water Bridge Fund)		
	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
REVENUES			
Taxes	\$ -	\$ -	\$ -
License and permits	16,368	16,368	-
Federal aid	1,001,678	1,001,678	-
Local participation	16,955	16,955	-
Interest earnings	854	854	-
Services	759	759	-
Non-operating revenue-bridges	2,997	2,997	-
Miscellaneous and Service revenue	24,005	24,005	-
Total Revenues	1,063,617	1,063,617	-
EXPENDITURES AND ENCUMBRANCES			
Administration	517,024	445,531	71,493
Other grants	122,283	122,283	-
Airport development	-	-	-
Nonoperating expenditure-bridges	2,997	2,857	141
Total Administration and Operations	642,304	570,671	71,634
Roads and bridges	996,018	996,018	-
Other capital outlay	12,828	12,518	310
Total Capital Outlay	1,008,847	1,008,537	310
Total Expenditures and Encumbrances	1,651,151	1,579,207	71,944
Excess of Revenue Over(Under) Expenditures and Encumbrances	(587,534)	(515,591)	71,944
OTHER FINANCING SOURCES			
Michigan transportation fund distribution	591,709	591,709	-
Grants and transfers from other funds	209,468	209,468	-
Proceeds of sale of capital assets	53	53	-
Total Financing Sources	801,230	801,230	-
OTHER FINANCING USES			
Grants and transfers to other funds	5,697	4,569	1,128
Debt service	211,288	211,288	-
Total Financing Uses	216,985	215,856	1,128
Excess Other Financing Sources Over(Under) Other Financing Uses	584,245	585,373	1,128
Excess of Revenue and Other Financing Sources Over(Under) Expenditures, Encumbrances and Other Financing Uses	\$ (3,289)	69,783	\$ 73,072
RECONCILING ITEMS			
Encumbrances at September 30		40,203	
Funds not annually budgeted		-	
Net Reconciling Items		40,203	
Excess of Revenue and Other Financing Sources Over(Under) Expenditures and Other Financing Uses (GAAP Basis)		109,986	
FUND BALANCES (GAAP BASIS)			
Beginning balance		527,317	
Ending balances (GAAP Basis)		\$ 637,303	

BLUE WATER BRIDGE FUND			STATE AERONAUTICS FUND		
BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
\$ -	\$ -	\$ -	\$ 5,621	\$ 5,621	\$ -
-	-	-	375	375	-
-	-	-	81,857	81,857	-
-	-	-	13	13	-
61	61	-	35	35	-
-	-	-	571	571	-
-	-	-	-	-	-
<u>21,873</u>	<u>21,873</u>	<u>-</u>	<u>3,648</u>	<u>3,648</u>	<u>-</u>
<u>21,934</u>	<u>21,934</u>	<u>-</u>	<u>92,119</u>	<u>92,119</u>	<u>-</u>
5,650	5,094	556	8,640	6,285	2,355
-	-	-	-	-	-
-	-	-	93,694	93,229	466
-	-	-	-	-	-
<u>5,650</u>	<u>5,094</u>	<u>556</u>	<u>102,334</u>	<u>99,513</u>	<u>2,821</u>
624	624	-	-	-	-
-	-	-	<u>602</u>	<u>602</u>	<u>-</u>
<u>624</u>	<u>624</u>	<u>-</u>	<u>602</u>	<u>602</u>	<u>-</u>
<u>6,274</u>	<u>5,718</u>	<u>556</u>	<u>102,936</u>	<u>100,115</u>	<u>2,821</u>
<u>15,659</u>	<u>16,216</u>	<u>556</u>	<u>(10,817)</u>	<u>(7,996)</u>	<u>2,821</u>
-	-	-	-	-	-
-	-	-	6,000	6,000	-
-	-	-	-	-	-
-	-	-	<u>6,000</u>	<u>6,000</u>	<u>-</u>
25	25	-	150	94	56
<u>2,216</u>	<u>2,216</u>	<u>-</u>	<u>3,456</u>	<u>3,456</u>	<u>-</u>
<u>2,242</u>	<u>2,242</u>	<u>-</u>	<u>3,606</u>	<u>3,550</u>	<u>56</u>
<u>(2,242)</u>	<u>(2,242)</u>	<u>-</u>	<u>2,394</u>	<u>2,450</u>	<u>56</u>
<u>\$ 13,418</u>	<u>13,974</u>	<u>\$ 556</u>	<u>\$ (8,423)</u>	<u>(5,546)</u>	<u>\$ 2,876</u>
	485			6,427	
	-			-	
	<u>485</u>			<u>6,427</u>	
	<u>14,459</u>			<u>880</u>	
	<u>27,166</u>			<u>22,161</u>	
	<u>\$ 41,626</u>			<u>\$ 23,042</u>	

Funds not Annually Budgeted

(Statutory/Budgetary Basis)	COMBINED STATE TRUNKLINE BOND PROCEEDS FUND	COMBINED COMPREHENSIVE TRANSPORTATION BOND PROCEEDS FUND	TRANSPORTATION RELATED TRUST FUND
REVENUES			
Taxes	\$ -	\$ -	\$ -
License and permits	-	-	-
Federal aid	-	-	-
Local participation	-	-	-
Interest earnings	-	-	-
Services	-	-	-
Non-operating revenue-bridges	-	-	-
Miscellaneous	-	-	-
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			
Michigan transportation fund distribution	-	-	-
Grants and transfers from other funds	-	-	-
Proceeds from sale of capital assets	-	-	-
Total Financing Sources	-	-	-
OTHER FINANCING USES			
Grants and transfers to other funds	-	-	-
Debt service	-	-	-
Total Financing Uses	-	-	-
Excess Other Financing Sources Over(Under) Other Financing Uses	-	-	-
Excess of Revenue and Other Financing Sources Over(Under) Expenditures, Encumbrances and Other Financing Uses	-	-	-
RECONCILING ITEMS			
Encumbrances at September 30	-	-	-
Funds not annually budgeted	(10,587)	(1,317)	-
Net Reconciling Items	(10,587)	(1,317)	-
Excess of Revenue and Other Financing Sources Over(Under) Expenditures and Other Financing Uses (GAAP Basis)	(10,587)	(1,317)	-
FUND BALANCES (GAAP BASIS)			
Beginning balance	57,004	52,269	-
Ending balances (GAAP Basis)	\$ 46,417	\$ 50,952	\$ -

TOTALS		
BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
\$ 5,621	\$ 5,621	\$ -
16,743	16,743	-
1,083,535	1,083,535	-
16,967	16,967	-
950	950	-
1,330	1,330	-
2,997	2,997	-
49,526	49,526	-
<u>1,177,670</u>	<u>1,177,670</u>	<u>-</u>
531,313	456,909	74,404
122,283	122,283	0
93,694	93,229	466
2,997	2,857	141
<u>750,288</u>	<u>675,278</u>	<u>75,011</u>
996,643	996,643	-
13,431	13,121	310
<u>1,010,073</u>	<u>1,009,763</u>	<u>310</u>
<u>1,760,361</u>	<u>1,685,041</u>	<u>75,321</u>
<u>(582,692)</u>	<u>(507,371)</u>	<u>75,321</u>
591,709	591,709	-
215,468	215,468	-
53	53	-
<u>807,230</u>	<u>807,230</u>	<u>-</u>
5,872	4,688	1,184
216,960	216,960	0
<u>222,833</u>	<u>221,648</u>	<u>1,184</u>
<u>584,397</u>	<u>585,582</u>	<u>1,184</u>
<u>\$ 1,706</u>	<u>78,211</u>	<u>\$ 76,505</u>
	47,115	
	<u>(11,904)</u>	
	<u>35,211</u>	
	<u>113,422</u>	
	<u>685,917</u>	
	<u>\$ 799,339</u>	

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, 2010
 (In Thousands)

(Statutory/Budgetary Basis)	STATE TRUNKLINE FUND (excluding Blue Water Bridge Fund)		
	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
REVENUES			
Taxes	\$ -	\$ -	\$ -
License and permits	5,357	5,357	-
Federal aid	934,843	934,843	-
Local participation	16,115	16,115	-
Interest earnings	1,452	1,452	-
Services	54	54	-
Non-operating revenue-bridges	2,928	2,928	-
Miscellaneous and Service revenue	25,527	25,527	-
Total Revenues	986,277	986,277	-
EXPENDITURES AND ENCUMBRANCES			
Administration	538,978	482,695	56,283
Bus operating assistance grants	-	-	-
Other grants	126,208	125,967	241
Airport development	-	-	-
Nonoperating expenditure-bridges	2,928	2,777	151
Total Administration and Operations	668,115	611,440	56,675
Roads and bridges	1,080,477	1,080,477	-
Other capital outlay	25,745	14,950	10,795
Total Capital Outlay	1,106,222	1,095,428	10,795
Total Expenditures and Encumbrances	1,774,337	1,706,867	67,470
Excess of Revenue Over(Under) Expenditures and Encumbrances	(788,060)	(720,590)	67,470
OTHER FINANCING SOURCES			
Michigan transportation fund distribution	587,438	587,438	-
Grants and transfers from other funds	222,588	222,588	-
Proceeds of sale of capital assets	308	308	-
Total Financing Sources	810,334	810,334	-
OTHER FINANCING USES			
Michigan transportation fund distribution	-	-	-
Grants and transfers to other funds	5,697	5,563	134
Discount on bonds issued	-	-	-
Debt service	216,107	216,095	12
Total Financing Uses	221,804	221,658	146
Excess Other Financing Sources Over(Under) Other Financing Uses	588,529	588,675	146
Excess of Revenue and Other Financing Sources Over(Under) Expenditures, Encumbrances and Other Financing Uses	\$ (199,531)	(131,915)	\$ 67,616
RECONCILING ITEMS			
Encumbrances at September 30		38,685	
Funds not annually budgeted		-	
Net Reconciling Items		38,685	
Excess of Revenue and Other Financial Sources Over(Under) Expenditures and Other Financial Uses (GAAP Basis)		(93,230)	
FUND BALANCES (GAAP BASIS)			
Beginning balance		620,547	
Ending balances (GAAP Basis)		\$ 527,317	

* In compliance with the Governmental Accounting Standards Board (GASB) statement No. 54, the 2010 Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances- Budget and Actual has been restated.

BLUE WATER BRIDGE FUND			STATE AERONAUTICS FUND		
BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
\$ -	\$ -	\$ -	\$ 5,422	\$ 5,422	\$ -
-	-	-	325	325	-
-	-	-	118,528	118,528	-
-	-	-	15	15	-
53	53	-	61	61	-
-	-	-	575	575	-
-	-	-	-	-	-
<u>19,080</u>	<u>19,080</u>	<u>-</u>	<u>10,111</u>	<u>10,111</u>	<u>-</u>
<u>19,133</u>	<u>19,133</u>	<u>-</u>	<u>135,038</u>	<u>135,038</u>	<u>-</u>
5,412	2,890	2,522	8,260	6,651	1,608
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	136,026	135,160	866
-	-	-	-	-	-
<u>5,412</u>	<u>2,890</u>	<u>2,522</u>	<u>144,286</u>	<u>141,812</u>	<u>2,474</u>
943	943	-	-	-	-
-	-	-	309	289	20
<u>943</u>	<u>943</u>	<u>-</u>	<u>309</u>	<u>289</u>	<u>20</u>
<u>6,355</u>	<u>3,833</u>	<u>2,522</u>	<u>144,595</u>	<u>142,101</u>	<u>2,494</u>
<u>12,778</u>	<u>15,299</u>	<u>2,522</u>	<u>(9,557)</u>	<u>(7,063)</u>	<u>2,494</u>
-	-	-	-	-	-
-	-	-	6,000	6,000	-
-	-	-	-	-	-
-	-	-	<u>6,000</u>	<u>6,000</u>	<u>-</u>
-	-	-	-	-	-
55	55	-	150	96	54
-	-	-	-	-	-
<u>2,150</u>	<u>2,141</u>	<u>9</u>	<u>3,472</u>	<u>3,472</u>	<u>-</u>
<u>2,205</u>	<u>2,196</u>	<u>9</u>	<u>3,622</u>	<u>3,568</u>	<u>54</u>
<u>(2,205)</u>	<u>(2,196)</u>	<u>9</u>	<u>2,378</u>	<u>2,432</u>	<u>54</u>
\$ <u>10,573</u>	\$ <u>13,104</u>	\$ <u>2,531</u>	\$ <u>(7,180)</u>	\$ <u>(4,631)</u>	\$ <u>2,549</u>
	67			4,422	
	-			-	
	<u>67</u>			<u>4,422</u>	
	<u>13,171</u>			<u>(209)</u>	
	<u>13,995</u>			<u>22,370</u>	
\$	<u><u>27,166</u></u>		\$	<u><u>22,161</u></u>	

Funds not Annually Budgeted

(Statutory/Budgetary Basis)	COMBINED STATE TRUNKLINE BOND PROCEEDS FUND	COMBINED COMPREHENSIVE TRANSPORTATION BOND PROCEEDS FUND	TRANSPORTATION RELATED TRUST FUND
REVENUES			
Taxes	\$ -	\$ -	\$ -
License and permits	-	-	-
Federal aid	-	-	-
Local participation	-	-	-
Interest earnings	-	-	-
Services	-	-	-
Non-operating revenue-bridges	-	-	-
Miscellaneous	-	-	-
Total Revenues	<u>-</u>	<u>-</u>	<u>-</u>
EXPENDITURES AND ENCUMBRANCES			
Administration	-	-	-
Bus operating assistance grants	-	-	-
Other grants	-	-	-
Airport development	-	-	-
Nonoperating expenditure-bridges	-	-	-
Total Administration and Operations	<u>-</u>	<u>-</u>	<u>-</u>
Roads and bridges	-	-	-
Other capital outlay	-	-	-
Total Capital Outlay	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures and Encumbrances	<u>-</u>	<u>-</u>	<u>-</u>
Excess of Revenue Over(Under) Expenditures and Encumbrances	<u>-</u>	<u>-</u>	<u>-</u>
OTHER FINANCING SOURCES			
Michigan transportation fund distribution	-	-	-
Grants and transfers from other funds	-	-	-
Proceeds from sale of capital assets	-	-	-
Total Financing Sources	<u>-</u>	<u>-</u>	<u>-</u>
OTHER FINANCING USES			
Michigan transportation fund distribution	-	-	-
Grants and transfers to other funds	-	-	-
Discount on bonds issued	-	-	-
Debt service	-	-	-
Total Financing Uses	<u>-</u>	<u>-</u>	<u>-</u>
Excess Other Financing Sources Over(Under) Other Financing Uses	<u>-</u>	<u>-</u>	<u>-</u>
Excess of Revenue and Other Financing Sources Over(Under) Expenditures, Encumbrances and Other Financing Uses	<u>-</u>	<u>-</u>	<u>-</u>
RECONCILING ITEMS			
Encumbrances at September 30	-	-	-
Funds not annually budgeted	(133,984)	(8,634)	-
Net Reconciling Items	<u>(133,984)</u>	<u>(8,634)</u>	<u>-</u>
Excess of Revenue and Other Financing Sources Over(Under) Expenditures and Other Financing Uses (GAAP Basis)	<u>(133,984)</u>	<u>(8,634)</u>	<u>-</u>
FUND BALANCES (GAAP BASIS)			
Beginning balance	190,989	60,903	-
Ending balances (GAAP Basis)	<u>\$ 57,004</u>	<u>\$ 52,269</u>	<u>\$ -</u>

TOTALS		
BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
\$ 5,422	\$ 5,422	\$ -
5,682	5,682	-
1,053,372	1,053,372	-
16,130	16,130	-
1,566	1,566	-
629	629	-
2,928	2,928	-
<u>54,718</u>	<u>54,718</u>	<u>-</u>
<u>1,140,448</u>	<u>1,140,448</u>	<u>-</u>
552,650	492,237	60,413
-	-	-
126,208	125,967	241
136,026	135,160	866
<u>2,928</u>	<u>2,777</u>	<u>151</u>
<u>817,813</u>	<u>756,142</u>	<u>61,671</u>
1,081,420	1,081,420	-
<u>26,055</u>	<u>15,240</u>	<u>10,815</u>
<u>1,107,475</u>	<u>1,096,660</u>	<u>10,815</u>
<u>1,925,288</u>	<u>1,852,802</u>	<u>72,486</u>
<u>(784,840)</u>	<u>(712,354)</u>	<u>72,486</u>
587,438	587,438	-
228,588	228,588	-
<u>308</u>	<u>308</u>	<u>-</u>
<u>816,334</u>	<u>816,334</u>	<u>-</u>
-	-	-
5,902	5,714	188
-	-	-
<u>221,729</u>	<u>221,708</u>	<u>21</u>
<u>227,631</u>	<u>227,422</u>	<u>209</u>
<u>588,702</u>	<u>588,912</u>	<u>209</u>
\$ <u>(196,138)</u>	\$ <u>(123,442)</u>	\$ <u>72,696</u>
	43,174	
	<u>(142,619)</u>	
	<u>(99,445)</u>	
	<u>(222,887)</u>	
	908,804	
	\$ <u>685,917</u>	

MICHIGAN DEPARTMENT OF TRANSPORTATION
DESCRIPTIONS OF DEBT SERVICE FUNDS
FISCAL YEAR ENDED SEPTEMBER 30, 2011

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, 2011 and 2010
 (In Thousands)

	COMBINED STATE TRUNKLINE BOND AND INTEREST REDEMPTION FUND		COMBINED COMPREHENSIVE TRANSPORTATION BOND AND INTEREST REDEMPTION FUND		TOTALS	
	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>
	ASSETS					
Current Assets:						
Equity in Common Cash	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Amounts due from other funds	-	-	-	-	-	-
Other Current Assets	-	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Assets	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
LIABILITIES AND FUND BALANCES						
Current Liabilities:						
Warrants Outstanding	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts payable and other liabilities	-	-	-	-	-	-
Amounts due to other funds	-	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances:						
Restricted	-	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Fund Balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Liabilities and Fund Balances	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

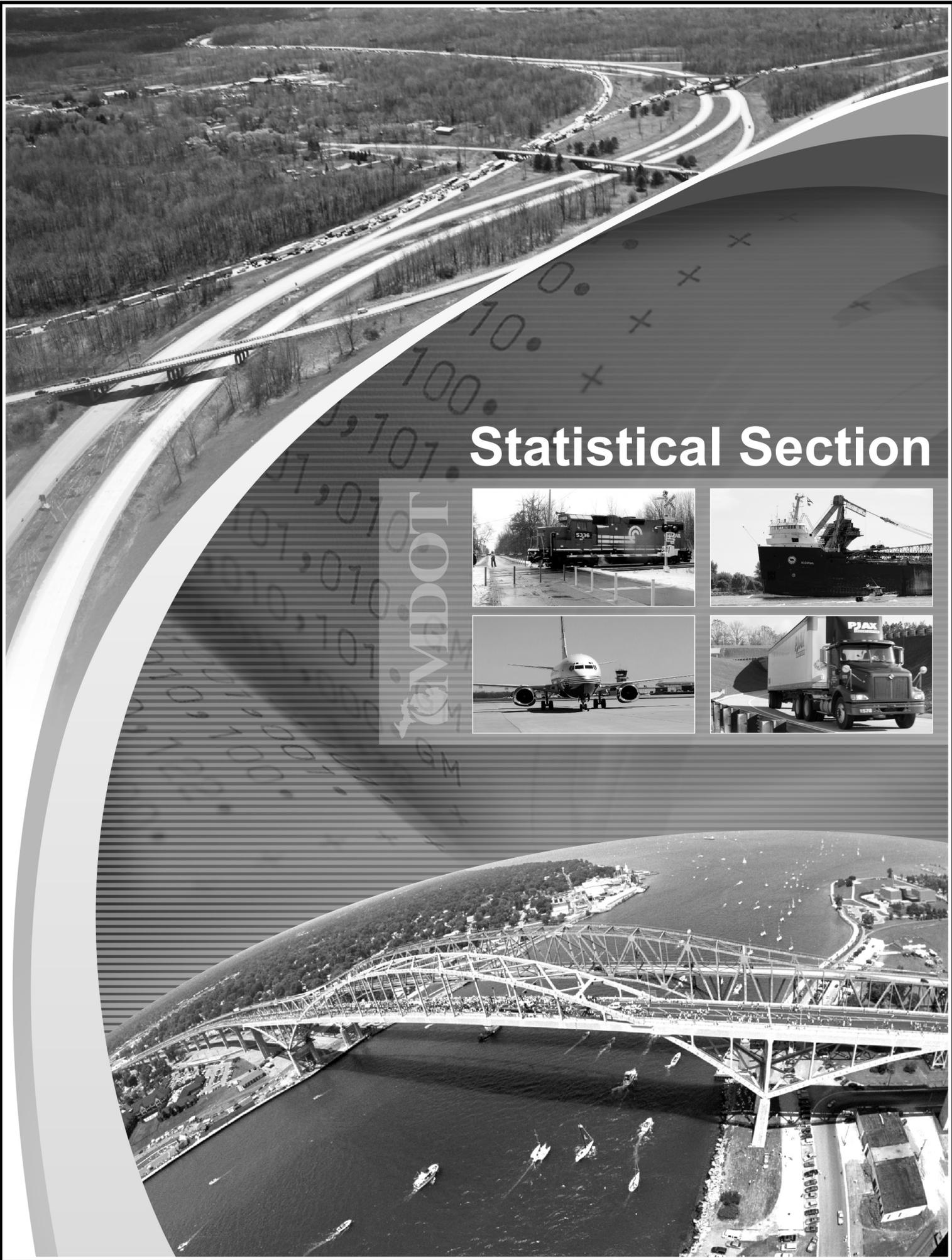
MICHIGAN DEPARTMENT OF TRANSPORTATION
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
DEBT SERVICE FUNDS

FISCAL YEARS ENDED SEPTEMBER 30, 2011 and 2010

(In Thousands)

	COMBINED STATE TRUNKLINE BOND AND INTEREST REDEMPTION FUND		COMBINED COMPREHENSIVE TRANSPORTATION BOND AND INTEREST REDEMPTION FUND		TOTALS	
	2011	2010	2011	2010	2011	2010
REVENUES						
Interest earnings	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXPENDITURES						
Administration	-	-	-	-	-	-
Costs of issuance	-	1,023	-	-	-	1,023
Bond principal retirement	89,953	86,261	10,160	10,050	100,113	96,311
Bond interest and fiscal charges	123,551	131,975	9,981	10,507	133,532	142,482
Total Expenditures	<u>213,504</u>	<u>219,259</u>	<u>20,141</u>	<u>20,557</u>	<u>233,645</u>	<u>239,816</u>
Excess of Revenues Over (Under) Expenditures	<u>(213,504)</u>	<u>(219,259)</u>	<u>(20,141)</u>	<u>(20,557)</u>	<u>(233,645)</u>	<u>(239,816)</u>
OTHER FINANCING SOURCES						
Proceeds from refunding bond issues	-	142,190	-	-	-	142,190
Premium on bonds issued	-	9,321	-	-	-	9,321
Transfer from State Aeronautics Fund	-	-	3,456	3,494	3,456	3,494
Transfer from State Trunkline Fund	213,504	218,236	-	-	213,504	218,236
Transfer from Comprehensive Transportation Fund	-	-	16,685	17,063	16,685	17,063
Total Other Financing Sources	<u>213,504</u>	<u>369,747</u>	<u>20,141</u>	<u>20,557</u>	<u>233,645</u>	<u>390,304</u>
OTHER FINANCING USES						
Transfer to Treasury for operations	-	-	-	-	-	-
Payment to refunded bond escrow agent	-	150,488	-	-	-	150,488
Total Other Financing Uses	<u>-</u>	<u>150,488</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>150,488</u>
Excess of Other Sources Over (Under) Other Uses	<u>213,504</u>	<u>219,259</u>	<u>20,141</u>	<u>20,557</u>	<u>233,645</u>	<u>239,816</u>
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	-	-	-	-	-	-
Fund balances-Beginning of fiscal year	-	-	-	-	-	-
Fund balances-End of fiscal year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

* A new line was added called Transfer from State Aeronautics Fund. Amounts related to it have been restated for FY2010 to correct an error in presentation.



Statistical Section



MDOT



FINANCIAL SCHEDULES

MICHIGAN DEPARTMENT OF TRANSPORTATION
SCHEDULE OF REVENUES AND EXPENDITURES
SPECIAL REVENUE FUNDS AND CAPITAL PROJECTS FUNDS
LAST TEN YEARS
 SEPTEMBER 30, 2011
 (In Thousands)

	<u>2001-2002</u>	<u>2002-2003</u>	<u>2003-2004</u>	<u>2004-2005</u>
REVENUES AND OTHER SOURCES:				
Michigan Transportation Fund	\$ 1,974,234	\$ 2,000,406	\$ 2,064,583	\$ 1,976,798
State Trunkline Fund				
Economic Development	114,264	111,868	106,607	118,205
Road and Bridge Program	1,367,935	1,317,848	1,429,449	1,612,110
Blue Water Bridge Fund	11,478	12,254	13,989	15,081
Comprehensive Transportation Fund	270,695	273,277	267,928	252,284
Aeronautics Fund	155,619	122,359	144,580	164,574
Transportation Related Trust Fund	277,726	281,796	266,271	239,403
1989 State Trunkline Bond Proceeds Fund	41	719	152	891
1992 State Trunkline Bond Proceeds Fund	5,087	2,168	2,419	947
1992 State Trunkline Critical Bridge Bond Proceeds Fund	2	-	-	-
1992 Comprehensive Transportation Bond Proceeds Fund	104	15	-	-
1994 State Trunkline Bond Proceeds Fund	486	918	71	374
1996 State Trunkline Bond Proceeds Fund	154	-	-	-
2001 Build Michigan III Bond Proceeds Fund	49,090	14,684	27,691	11,765
2001 & 2002 Build Michigan II Grant Anticipation Note Proceeds Fund	218,262	13,040	9,477	67,623
2002 & 2003 Comprehensive Transportation Bond Proceeds Fund	89,179	37,641	1,164	2,531
2004 State Trunkline Bond Proceeds Fund	-	-	201,896	6,152
Economic Stimulus Bonds	-	-	-	-
Jobs Today Bond Proceeds Fund	-	-	-	-
Blue Water Bridge Plaza Series Bonds	-	-	-	-
TOTAL REVENUES AND OTHER SOURCES	<u>\$ 4,534,356</u>	<u>\$ 4,188,993</u>	<u>\$ 4,536,277</u>	<u>\$ 4,468,738</u>
EXPENDITURES AND OTHER USES:				
Michigan Transportation Fund	\$ 1,974,234	\$ 2,000,406	\$ 2,064,583	\$ 1,976,798
State Trunkline Fund				
Economic Development	109,955	102,399	121,527	113,014
Traditional Program	1,277,342	1,286,783	1,288,226	1,572,956
Blue Water Bridge Fund	10,326	8,869	7,421	7,709
Comprehensive Transportation Fund	288,324	262,820	283,459	253,451
Aeronautics Fund	159,609	117,691	138,712	166,954
Transportation Related Trust Fund	277,726	281,796	266,271	239,403
1989 State Trunkline Bond Proceeds Fund	314	625	1,271	635
1992 State Trunkline Bond Proceeds Fund	5,970	2,194	5,495	880
1992 State Trunkline Critical Bridge Bond Proceeds Fund	262	-	-	-
1992 Comprehensive Transportation Bond Proceeds Fund	5,474	1,773	-	-
1994 State Trunkline Bond Proceeds Fund	520	1,164	3,997	411
1996 State Trunkline Bond Proceeds Fund	-	-	-	-
2001 Build Michigan III Bond Proceeds Fund	113,740	76,606	51,124	56,489
2001 & 2002 Build Michigan II Grant Anticipation Note Proceeds Fund	259,282	169,588	58,497	66,207
2002 & 2003 Comprehensive Transportation Bond Proceeds Fund	671	21,340	23,201	16,205
2004 State Trunkline Bond Proceeds Fund	-	-	63,416	115,184
Economic Stimulus Bonds	-	-	-	-
Jobs Today Bond Proceeds Fund	-	-	-	-
Blue Water Bridge Plaza Series Bonds	-	-	-	-
TOTAL EXPENDITURES AND OTHER USES	<u>\$ 4,483,749</u>	<u>\$ 4,334,054</u>	<u>\$ 4,377,200</u>	<u>\$ 4,586,296</u>

<u>2005-2006</u>	<u>2006-2007</u>	<u>2007-2008</u>	<u>2008-2009</u>	<u>2009-2010</u>	<u>2010-2011</u>
\$ 1,967,920	\$ 1,943,436	\$ 1,889,569	\$ 1,838,990	\$ 1,840,178	\$ 1,852,109
98,526	95,899	71,997	76,031	77,173	68,427
1,588,113	1,668,203	1,518,646	1,672,977	1,719,438	1,796,420
14,758	14,225	15,959	12,913	19,133	21,934
260,424	262,128	277,606	275,093	286,146	293,560
135,989	134,785	124,725	131,889	141,038	98,119
174,024	205,607	292,120	277,365	370,918	256,695
49	41	-	-	-	-
85	194	3,624	4	330	325
-	-	-	-	-	-
-	-	-	-	-	-
20	111	4	1	(4)	-
-	-	-	-	-	-
7,019	3,857	1,224	1,396	684	102
93,546	53,841	32,191	(2)	9	610
40,425	5,855	2,586	17,241	13,029	13,348
269,072	10,402	77,806	4,614	60	804
-	-	-	150,174	4,295	1,434
73	501,507	25,863	154,922	58,407	91,483
-	-	-	-	-	(6)
<u>\$ 4,650,043</u>	<u>\$ 4,900,091</u>	<u>\$ 4,333,920</u>	<u>\$ 4,613,608</u>	<u>\$ 4,530,834</u>	<u>\$ 4,495,364</u>

\$ 1,967,920	\$ 1,943,436	\$ 1,889,569	\$ 1,838,990	\$ 1,840,178	\$ 1,852,109
90,141	85,342	75,250	78,341	71,563	70,372
1,618,331	1,540,590	1,702,452	1,747,662	1,818,278	1,684,489
13,870	10,145	12,815	10,320	5,962	7,474
254,045	261,237	270,758	273,245	290,025	277,708
135,473	135,402	123,681	132,531	141,247	97,239
174,024	205,607	292,120	277,365	370,918	256,695
14	1,089	-	-	-	-
6,078	196	2,087	(10)	488	329
-	-	-	-	-	-
-	-	-	-	-	-
(520)	439	5	1	2	-
-	-	-	-	-	-
13,663	28,249	11,992	18,936	30	701
94,827	53,781	32,163	29	-	675
19,900	27,413	15,805	11,186	21,663	14,665
132,305	159,271	66,624	18,914	3,176	1,439
-	-	-	8,303	114,089	27,488
83,336	222,486	234,404	109,365	79,981	48,664
-	-	-	-	-	26,042
<u>\$ 4,603,407</u>	<u>\$ 4,674,683</u>	<u>\$ 4,729,725</u>	<u>\$ 4,525,178</u>	<u>\$ 4,757,600</u>	<u>\$ 4,366,089</u>

MICHIGAN DEPARTMENT OF TRANSPORTATION
SCHEDULE OF REVENUES, EXPENDITURES & CHANGES IN FUND BALANCES
ECONOMIC DEVELOPMENT FUND
 FISCAL YEARS ENDED SEPTEMBER 30, 2011 and 2010
 (In Thousands)

	2011	2010
REVENUES AND OTHER SOURCES		
Licenses and permits	\$ 686	\$ 312
Federal aid	26,834	26,504
Local participation	143	863
Interest earnings	255	409
Michigan Transportation Fund distribution	40,275	40,275
Miscellaneous	97	916
Fees	137	-
	68,427	69,280
EXPENDITURES AND OTHER USES		
Administration	449	450
Forest roads	5,040	5,000
Target industries-state takeovers	22,779	12,306
Rural county urban system	1,818	2,543
Urban county congestion	15,783	11,359
Rural county primary	15,330	22,369
Debt service	9,173	9,210
	70,372	63,237
Excess of Revenue and Other Sources Over (Under) Expenditures and Other Uses	(1,945)	6,043
Fund Balances-Beginning of fiscal year	111,602	105,559
Fund Balances-End of fiscal year	\$ 109,657	\$ 111,602

The Economic Development Fund was created as a subfund of the State Trunkline Fund during FY 1988. The amounts shown above have been reported as part of the State Trunkline Fund in previous schedules of this report. This supplementary schedule was prepared to provide additional information pertaining specifically to the Economic Development Fund.

License and permit revenue was reduced in FY 2010 because of a \$12 million transfer to the State's General fund that was required by P.A. 137 of 2009 and P.A. 136 of 2009. License and permit revenue was reduced in FY 2011 because of a \$12 million transfer to the State's Trunkline fund that was required by P.A. 145 of 2011.



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MICHIGAN DEPARTMENT OF TRANSPORTATION
CONSTRUCTION AND CAPITAL PROPERTY ACQUISITIONS
BY FUNCTIONAL ACTIVITY
FISCAL YEAR ENDED SEPTEMBER 30, 2011
(In Thousands)

	<u>Construction Supervision</u>	<u>Preliminary Engineering</u>	<u>Right-of-Way</u>
STATE TRUNKLINE FUND			
Roads and bridges	\$ 89,198	\$ 111,601	\$ 28,487
Economic development fund	2,041	174	449
Work orders - state facilities	-	-	-
	<hr/>	<hr/>	<hr/>
Subtotal	91,239	111,775	28,936
	<hr/>	<hr/>	<hr/>
BLUE WATER BRIDGE FUND			
	68	138	9
	<hr/>	<hr/>	<hr/>
Subtotal	68	138	9
	<hr/>	<hr/>	<hr/>
STATE AERONAUTICS AND GENERAL FUNDS			
Airport development	5,449	5,470	5,567
Work orders - state facilities	-	-	-
	<hr/>	<hr/>	<hr/>
Subtotal	5,449	5,470	5,567
	<hr/>	<hr/>	<hr/>
COMPREHENSIVE TRANSPORTATION FUND			
Rail freight	-	-	-
Bus transit	-	-	-
Intercity bus, rail, water	-	-	-
	<hr/>	<hr/>	<hr/>
Subtotal	-	-	-
	<hr/>	<hr/>	<hr/>
BOND PROCEEDS FUNDS			
State Trunkline Fund	7,677	794	406
Comprehensive Transportation Fund		66	-
Aeronautics Fund	218	550	367
	<hr/>	<hr/>	<hr/>
Subtotal	7,895	1,410	772
	<hr/>	<hr/>	<hr/>
Total Capital Acquisitions	\$ <u>104,651</u>	\$ <u>118,793</u>	\$ <u>35,285</u>

<u>Utility Relocation</u>	<u>Physical Construction</u>	<u>Special Projects</u>	<u>Other Activities</u>	<u>Totals</u>
\$ 254	\$ 763,389	\$ 3,733	\$ 7,042	\$ 1,003,703
-	61,387	-	5,326	69,377
-	-	-	2,071	2,071
<u>254</u>	<u>824,776</u>	<u>3,733</u>	<u>14,439</u>	<u>1,075,151</u>
-	343	-	-	557
-	343	-	-	557
-	76,098	-	-	92,584
-	-	-	3,456	3,456
-	76,098	-	3,456	96,040
-	-	-	1,623	1,623
-	-	-	24,468	24,468
-	-	-	3,958	3,958
-	-	-	30,049	30,049
-	46,102	-	(7)	54,972
-	6,506	-	636	7,208
-	1,413	-	5	2,552
-	54,020	-	635	64,732
<u>\$ 254</u>	<u>\$ 955,237</u>	<u>\$ 3,733</u>	<u>\$ 48,578</u>	<u>\$ 1,266,530</u>

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

FISCAL YEAR ENDED SEPTEMBER 30, 2010
(In Thousands)

	<u>Construction Supervision</u>	<u>Preliminary Engineering</u>	<u>Right-of-Way</u>
STATE TRUNKLINE FUND			
Roads and bridges	\$ 81,845	\$ 107,776	\$ 25,165
Economic development fund	1,725	212	1,731
Work orders - state facilities	<u>-</u>	<u>-</u>	<u>-</u>
Subtotal	<u>83,570</u>	<u>107,988</u>	<u>26,896</u>
BLUE WATER BRIDGE FUND			
	<u>55</u>	<u>149</u>	<u>82</u>
Subtotal	<u>55</u>	<u>149</u>	<u>82</u>
STATE AERONAUTICS AND GENERAL FUNDS			
Airport development	6,064	17,903	8,145
Work orders - state facilities	<u>-</u>	<u>-</u>	<u>-</u>
Subtotal	<u>6,064</u>	<u>17,903</u>	<u>8,145</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	9,477	849	270
Comprehensive Transportation Fund		282	-
Aeronautics Fund	<u>(39)</u>	<u>(138)</u>	<u>822</u>
Subtotal	<u>9,437</u>	<u>993</u>	<u>1,092</u>
Total Capital Acquisitions	<u>\$ 99,127</u>	<u>\$ 127,033</u>	<u>\$ 36,214</u>

<u>Utility Relocation</u>	<u>Physical Construction</u>	<u>Other Activities</u>	<u>Totals</u>
\$ 1,640	\$ 874,006	\$ 5,876	\$ 1,096,308
-	52,125	5,492	61,286
-	-	9,504	9,504
<u>1,640</u>	<u>926,131</u>	<u>20,872</u>	<u>1,167,097</u>
-	609	-	895
-	609	-	895
-	85,257	-	117,369
-	-	57	57
-	85,257	57	117,426
-	-	1,454	1,454
-	-	45,895	45,895
-	-	1,328	1,328
-	-	48,677	48,677
-	128,543	45	139,184
-	13,987	3,775	18,044
-	1,235	5	1,884
-	143,765	3,826	159,113
<u>\$ 1,640</u>	<u>\$ 1,155,763</u>	<u>\$ 73,431</u>	<u>\$ 1,493,208</u>

Michigan Department of Transportation
Schedule of Expenditures of Federal Awards
Fiscal Year Ended September 30, 2011
(in Thousands)

Grantor Agency/Federal Assistance Program Title	CFDA Program Number	Pass Through Entity	Pass-Through Entity Identification Number	Directly Expended by Department	Distributed to Subrecipients	Total Expended and Distributed
U.S. Department of Transportation						
Highway Planning and Construction Cluster						
Direct Programs:						
Highway Planning and Construction - ARRA	20.205			165,338	10,081	175,419
Highway Planning and Construction (Notes 1 and 2)	20.205			1,071,149	47,756	1,118,905
Total Highway Planning and Construction Cluster				<u>1,236,487</u>	<u>57,837</u>	<u>1,294,324</u>
Federal Transit Cluster						
Direct Programs:						
Federal Transit: Capital Investment Grants	20.500			-	5,154	5,154
Federal Transit: Formula Grants - ARRA	20.507			-	299	299
Total Federal Transit Cluster				<u>-</u>	<u>5,453</u>	<u>5,453</u>
Transit Services Programs Cluster						
Direct Programs:						
Capital Assistance Program for Elderly Persons and Persons with Disabilities	20.513			-	4,410	4,410
Job Access - Reverse Commute Program	20.516			-	1,944	1,944
New Freedom Program	20.521			-	1,060	1,060
Total Transit Services Programs Cluster				<u>-</u>	<u>7,414</u>	<u>7,414</u>
Direct Programs:						
Airport Improvement Program - ARRA (Note 3)	20.106			-	-	-
Airport Improvement Program (Note 3)	20.106			30,112	-	30,112
High Speed Ground Transportation: Next Generation High Speed Rail Program	20.312			-	87	87
High-Speed Rail Corridors and Intercity Passenger Rail Service - Capital Assistance Grants - ARRA	20.319			-	736	736
Metropolitan Transportation Planning	20.505			-	2,963	2,963
Formula Grants for Other Than Urbanized Areas - ARRA	20.509			2,356	5,903	8,259
Formula Grants for Other Than Urbanized Areas	20.509			1,779	17,879	19,659
State Planning and Research	20.515			11	570	581
Paul S. Sarbanes Transit in the Parks	20.520			-	3	3
ARRA - Transit Investments for Energy Reduction	20.523			-	121	121
Total Direct Programs				<u>34,259</u>	<u>28,262</u>	<u>62,521</u>
Total U.S. Department of Transportation				<u>1,270,745</u>	<u>98,965</u>	<u>1,369,711</u>
U.S. Department of Commerce						
Direct Program:						
Geodetic Surveys and Services	11.400			13	-	13
Total U.S. Department of Commerce				<u>13</u>	<u>-</u>	<u>13</u>
U.S. Department of Energy						
Direct Program:						
ARRA - State Energy Program	81.128			54	-	54
Total U.S. Department of Homeland Security				<u>54</u>	<u>-</u>	<u>54</u>
Total Expenditures of Federal Awards				<u>1,270,813</u>	<u>98,965</u>	<u>1,369,778</u>

* CFDA is defined as Catalog of Federal Domestic Assistance

Michigan Department of Transportation
Schedule of Expenditures of Federal Awards
Fiscal Year Ended September 30, 2010
(in Thousands)

Grantor Agency/Federal Assistance Program Title	CFDA Program Number	Pass Through Entity	Pass-Through Entity Identification Number	Directly Expended by Department	Distributed to Subrecipients	Total Expended and Distributed
U.S. Department of Transportation						
Highway Planning and Construction Cluster						
Direct Programs:						
Highway Planning and Construction - ARRA	20.205			524,209	7,905	532,114
Highway Planning and Construction (Notes 1 and 2)	20.205			786,172	40,640	826,812
Total Highway Planning and Construction Cluster				1,310,381	48,545	1,358,925
Federal Transit Cluster						
Direct Programs:						
Federal Transit: Capital Investment Grants	20.500			694	10,874	11,567
Federal Transit: Formula Grants - ARRA	20.507			-	208	208
Total Federal Transit Cluster				694	11,081	11,775
Transit Services Programs Cluster						
Direct Programs:						
Capital Assistance Program for Elderly Persons and Persons with Disabilities	20.513			-	3,678	3,678
Job Access - Reverse Commute Program	20.516			-	2,002	2,002
New Freedom Program	20.521			-	929	929
Total Transit Services Programs Cluster				-	6,608	6,608
Direct Programs:						
Airport Improvement Program - ARRA (Note 3)	20.106			1	-	1
Airport Improvement Program (Note 3)	20.106			33,045	37	33,082
High Speed Ground Transportation: Next Generation High Speed Rail Program	20.312			693	-	693
High-Speed Rail Corridors and Intercity Passenger Rail Service - Capital Assistance Grants - ARRA	20.319			-	20	20
Metropolitan Transportation Planning	20.505			-	2,528	2,528
Formula Grants for Other Than Urbanized Areas - ARRA	20.509			56	12,109	12,165
Formula Grants for Other Than Urbanized Areas	20.509			1,795	16,869	18,664
State Planning and Research	20.515			28	323	351
Paul S. Sarbanes Transit in the Parks	20.520			-	121	121
Total Direct Programs				35,618	32,006	67,625
Total U.S. Department of Transportation				1,346,693	98,240	1,444,933
U.S. Department of Commerce						
Direct Program:						
Geodetic Surveys and Services	11.400			-	-	-
Total U.S. Department of Commerce				-	-	-
U.S. Department of Homeland Security						
Direct Program:						
Port Security Grant Program	97.056			602	-	602
Total U.S. Department of Homeland Security				602	-	602
Total Expenditures of Federal Awards				1,347,294	98,240	1,445,534

MICHIGAN DEPARTMENT OF TRANSPORTATION
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FISCAL YEARS ENDED SEPTEMBER 30, 2011 AND 2010

1. The State Infrastructure Bank (SIB) program was enacted by the U.S. Congress in 1995 as part of the U.S. Department of Transportation's continuing effort to increase infrastructure investment in the transportation sector. A SIB is an investment fund at the state or multi-state level with the ability to make loans to public and private entities to carry out highway construction or transit capital projects. The Federal Highway Administration (FHWA) deposited a percentage of funds apportioned to the State of Michigan in fiscal years 1998 – 2005 in an MDOT account strictly used for SIB activity. A state match equal to 25% of the federal deposit was required. These monies along with interest earnings are to remain in the SIB account and be used for purposes included in the cooperative agreement between the FHWA, Federal Transit Administration (FTA) and MDOT. At the end of fiscal years 2011 and 2010, the total amount of federal, state and interest earnings equal \$22,760,975 and \$22,490,007 respectively.

Two loans were granted in fiscal year 2011 totaling \$829,405. Five loans were granted in fiscal year 2010 totaling \$3,935,244.

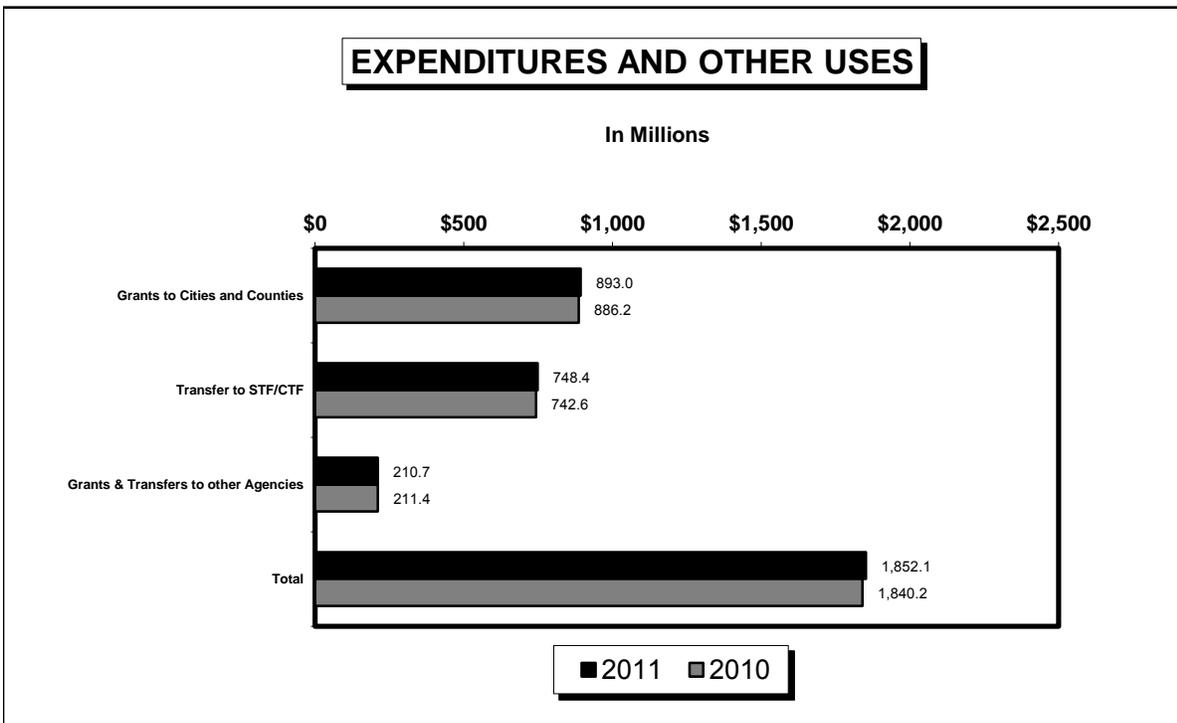
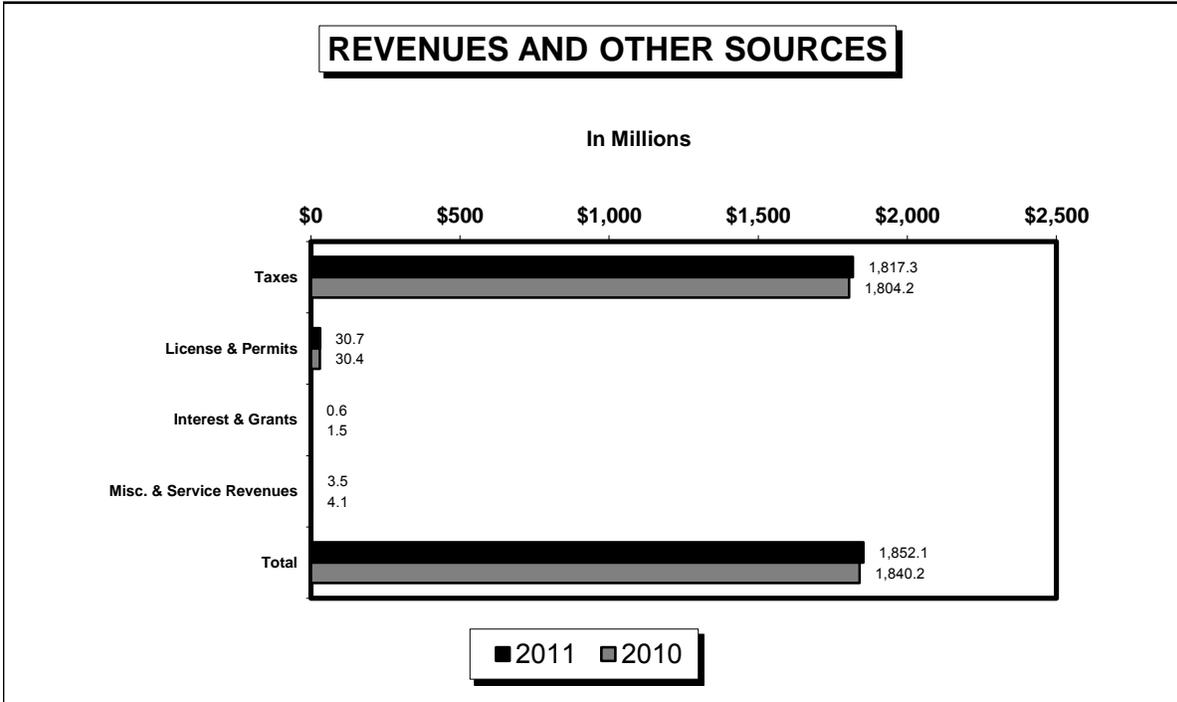
2. Federal expenditures to primary airports in the amounts \$81,738,408 and \$75,081,137 for fiscal years 2011 and 2010, respectively, are not included in the SEFA report under the Airport Improvement Program (CFDA 20.106). MDOT is channeling the Federal Aviation Administration (FAA) funds to the primary airports, per P.A. 345 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. Primary airports had expenditures of American Recovery and Reinvestment Act (ARRA) grants totaling \$5,754,298 and \$15,730,828 for fiscal years 2011 and 2010, respectively.



GRAPHIC PRESENTATIONS

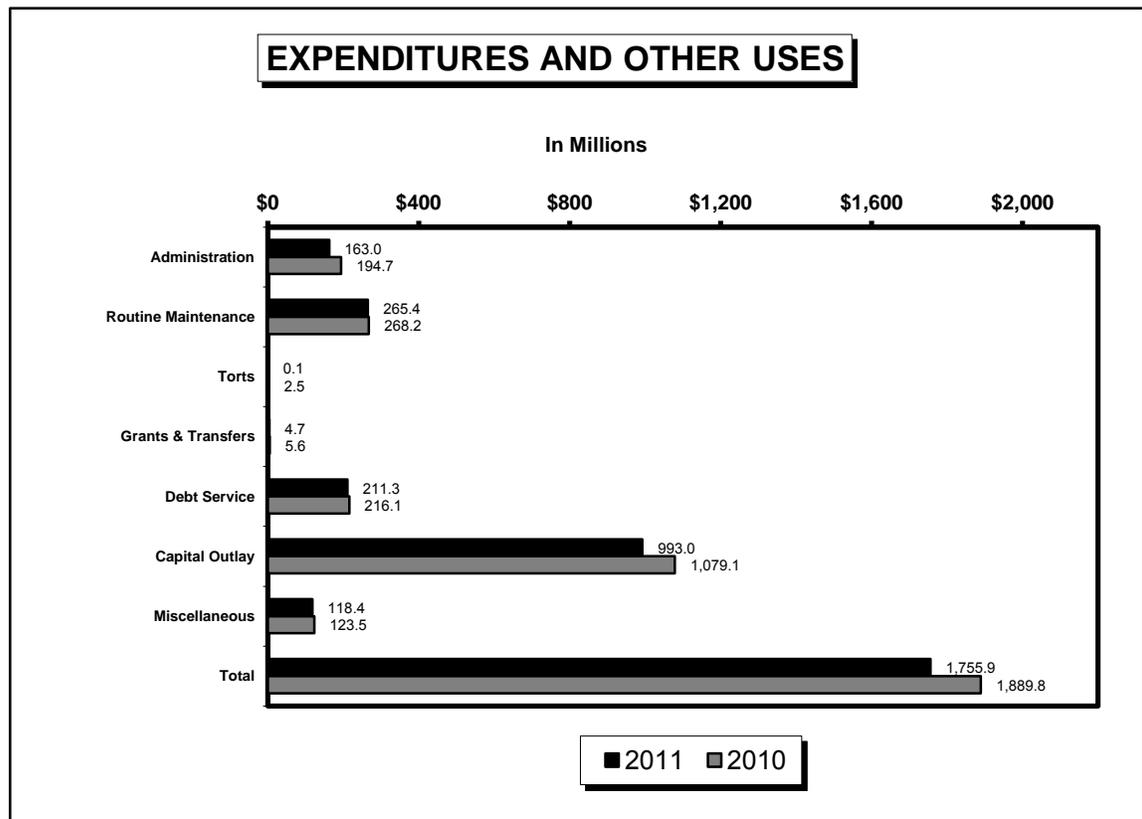
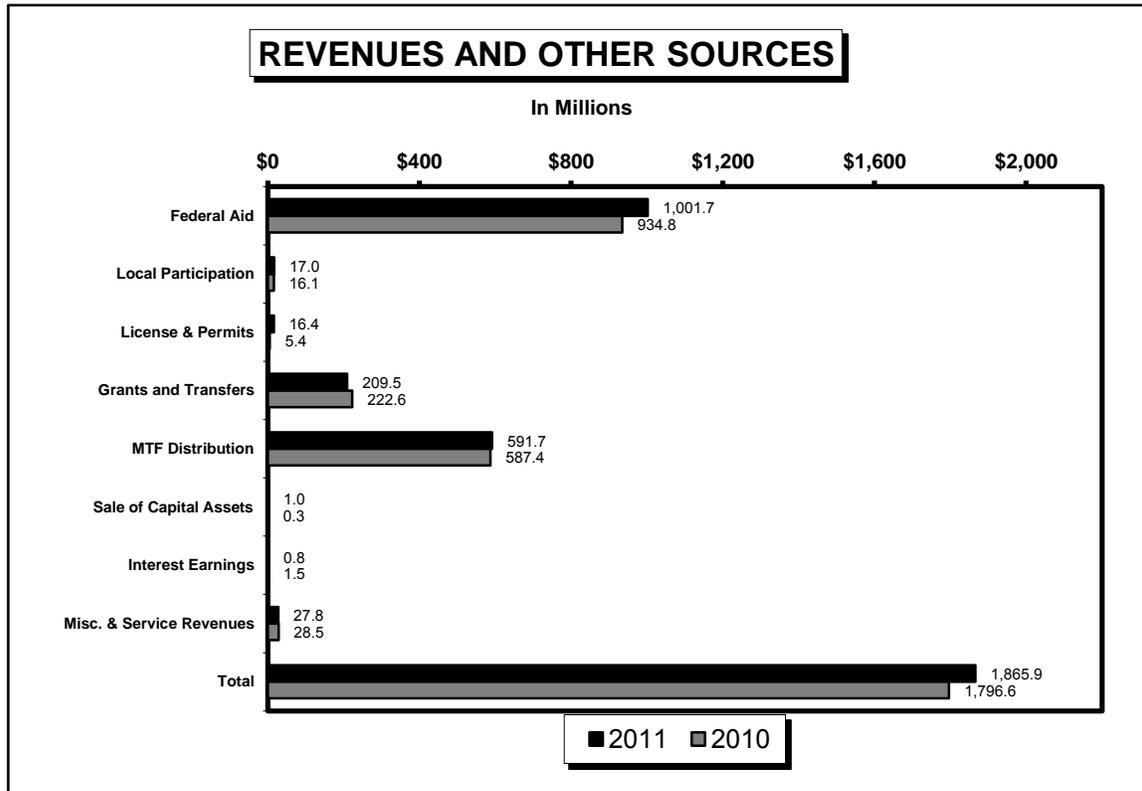
MICHIGAN DEPARTMENT OF TRANSPORTATION MICHIGAN TRANSPORTATION FUND GRAPHICS

FISCAL YEARS ENDED SEPTEMBER 30, 2011 AND 2010



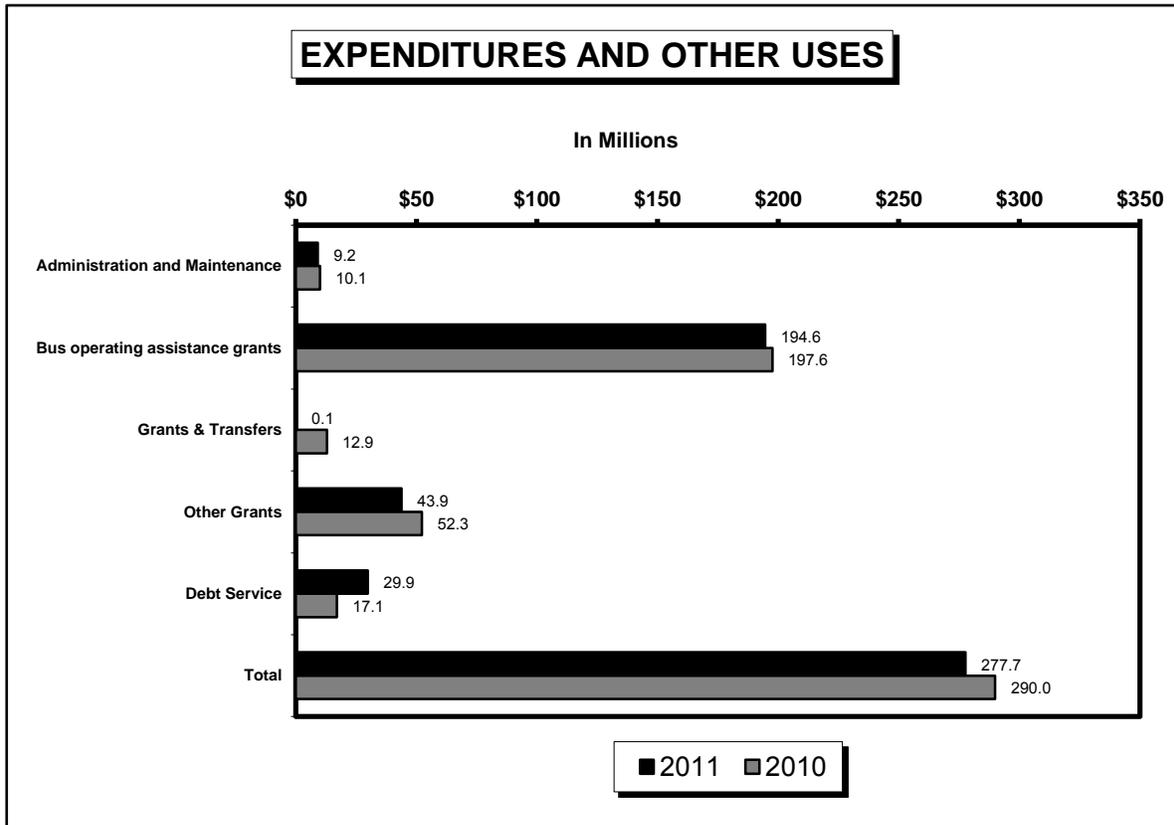
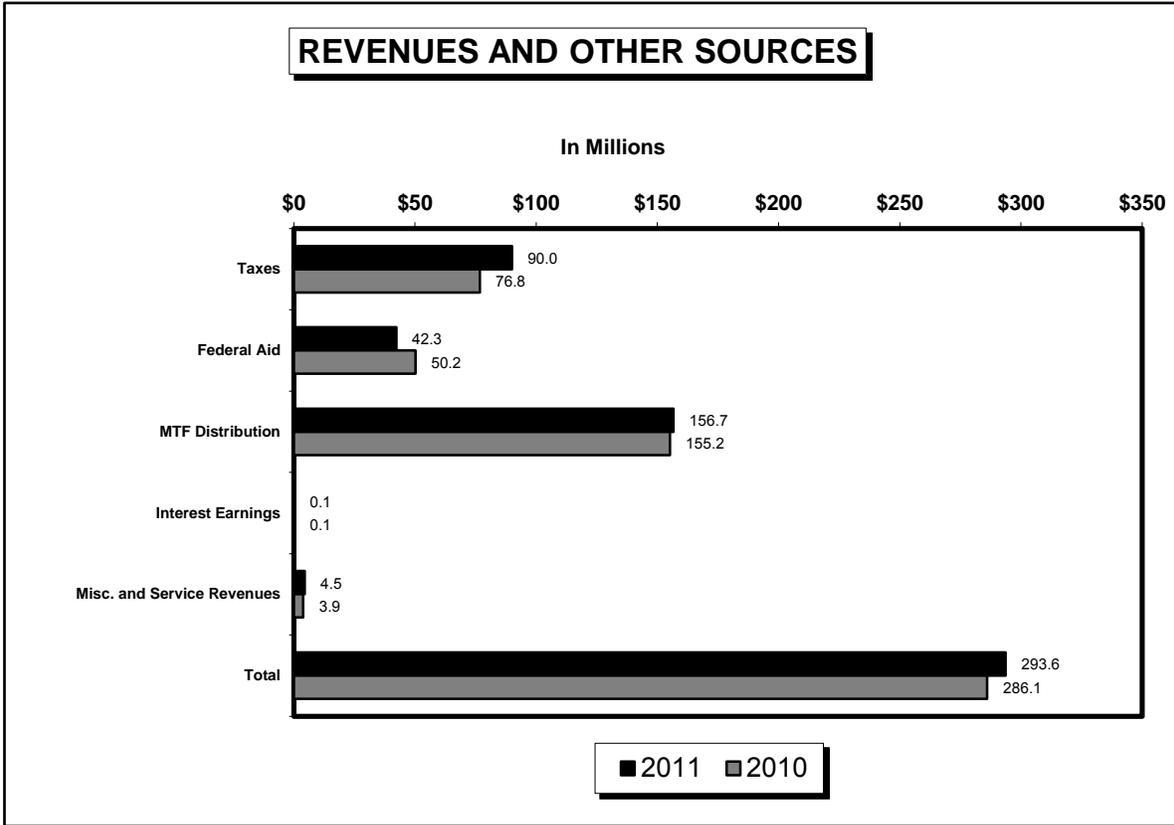
MICHIGAN DEPARTMENT OF TRANSPORTATION STATE TRUNKLINE FUND GRAPHICS

Includes Economic Development Fund
FISCAL YEARS ENDED SEPTEMBER 30, 2011 AND 2010



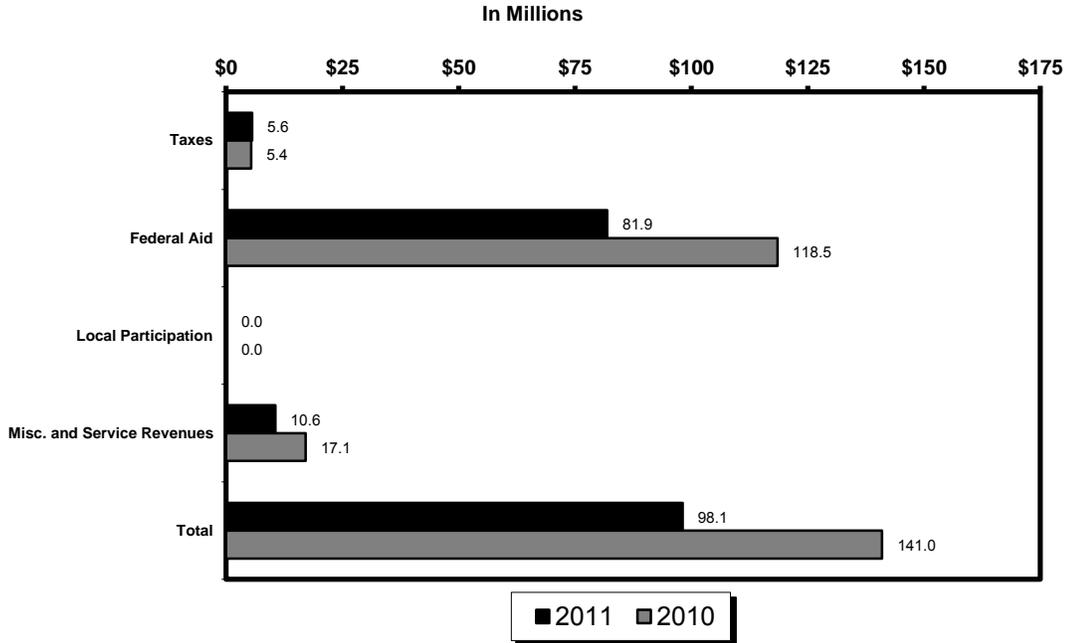
MICHIGAN DEPARTMENT OF TRANSPORTATION COMPREHENSIVE TRANSPORTATION FUND GRAPHICS

FISCAL YEARS ENDED SEPTEMBER 30, 2011 AND 2010

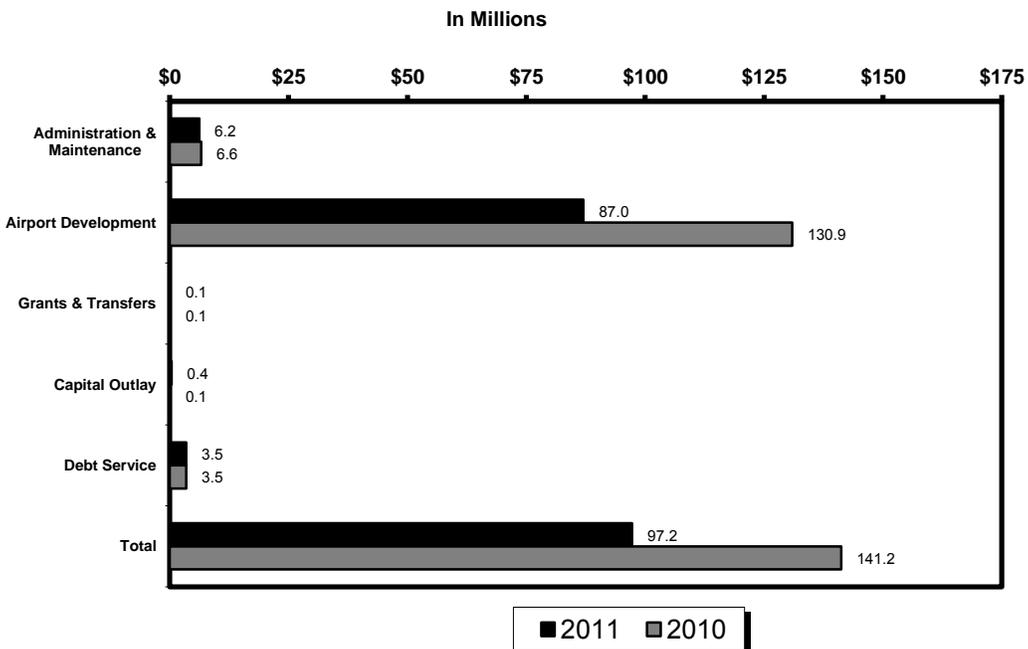


MICHIGAN DEPARTMENT OF TRANSPORTATION
STATE AERONAUTICS FUND GRAPHICS
 FISCAL YEARS ENDED SEPTEMBER 30, 2011 AND 2010

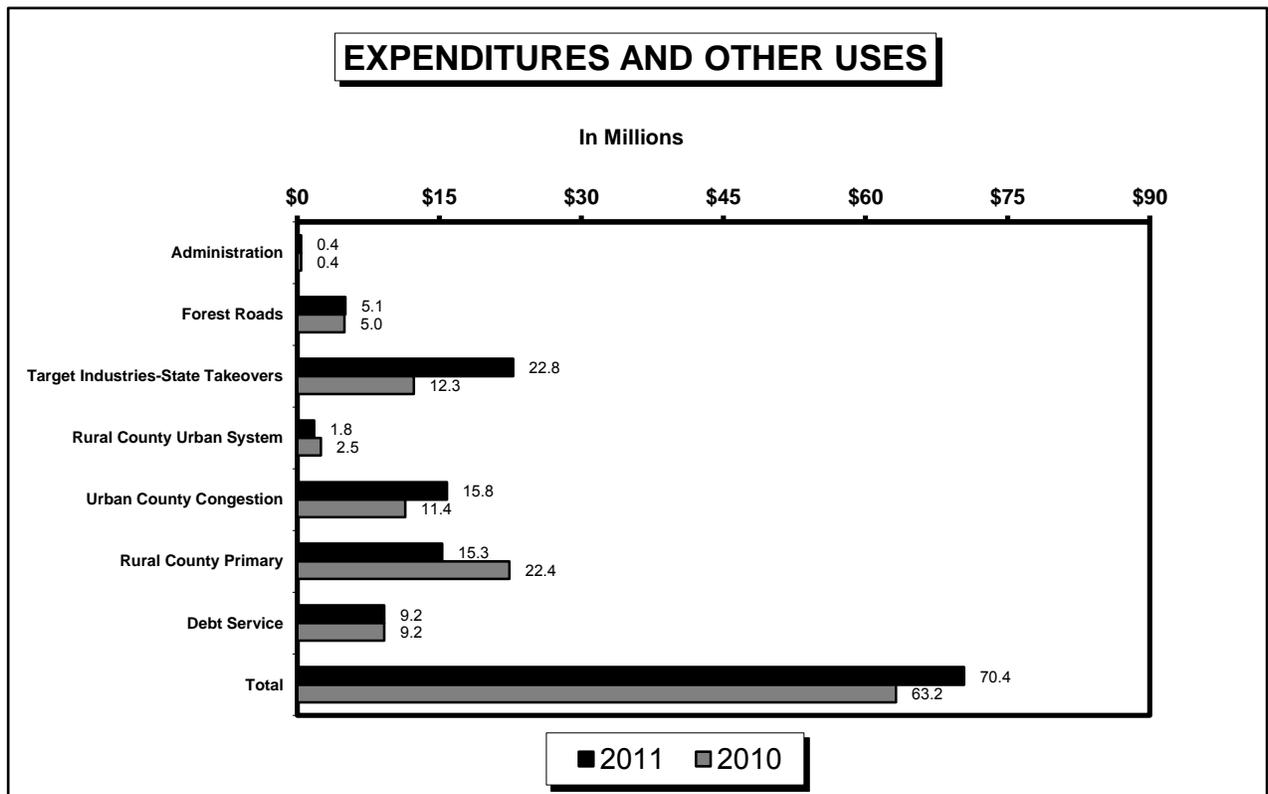
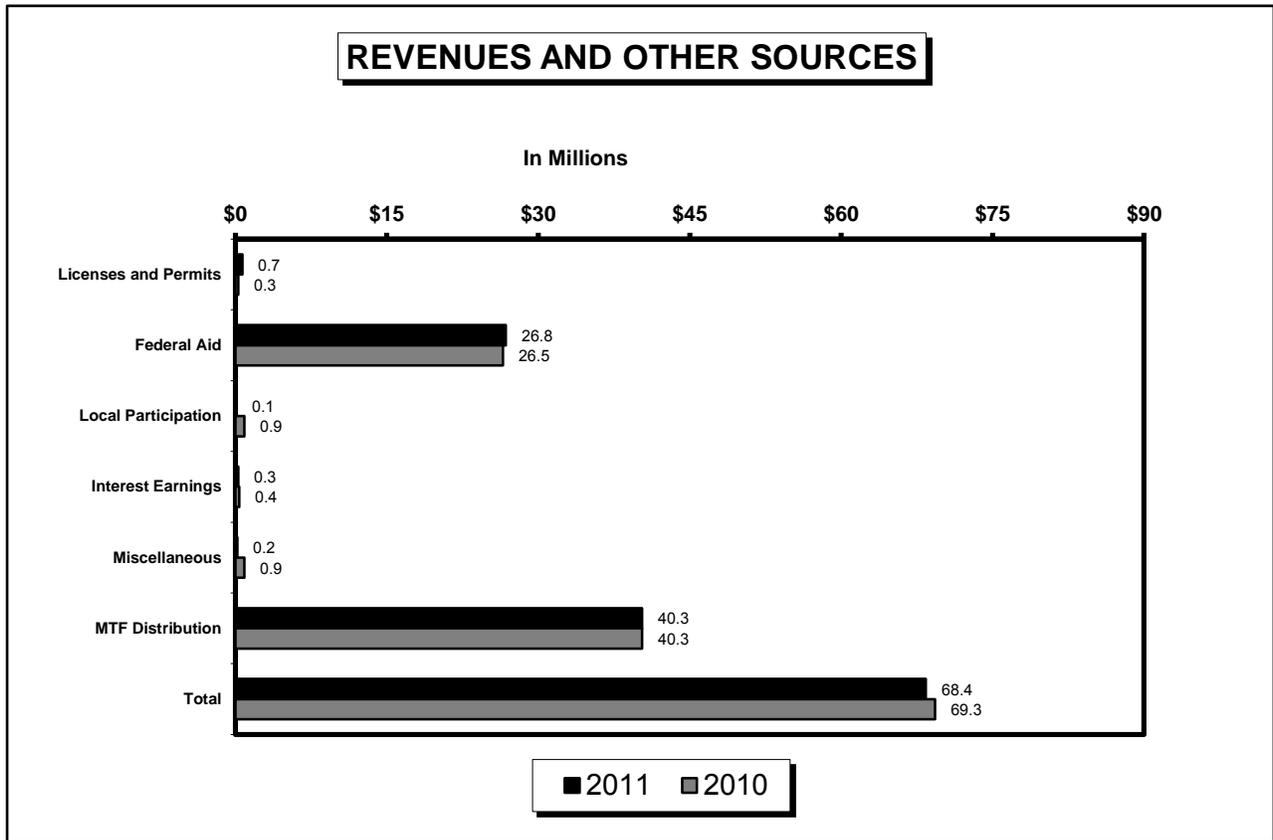
REVENUES AND OTHER SOURCES



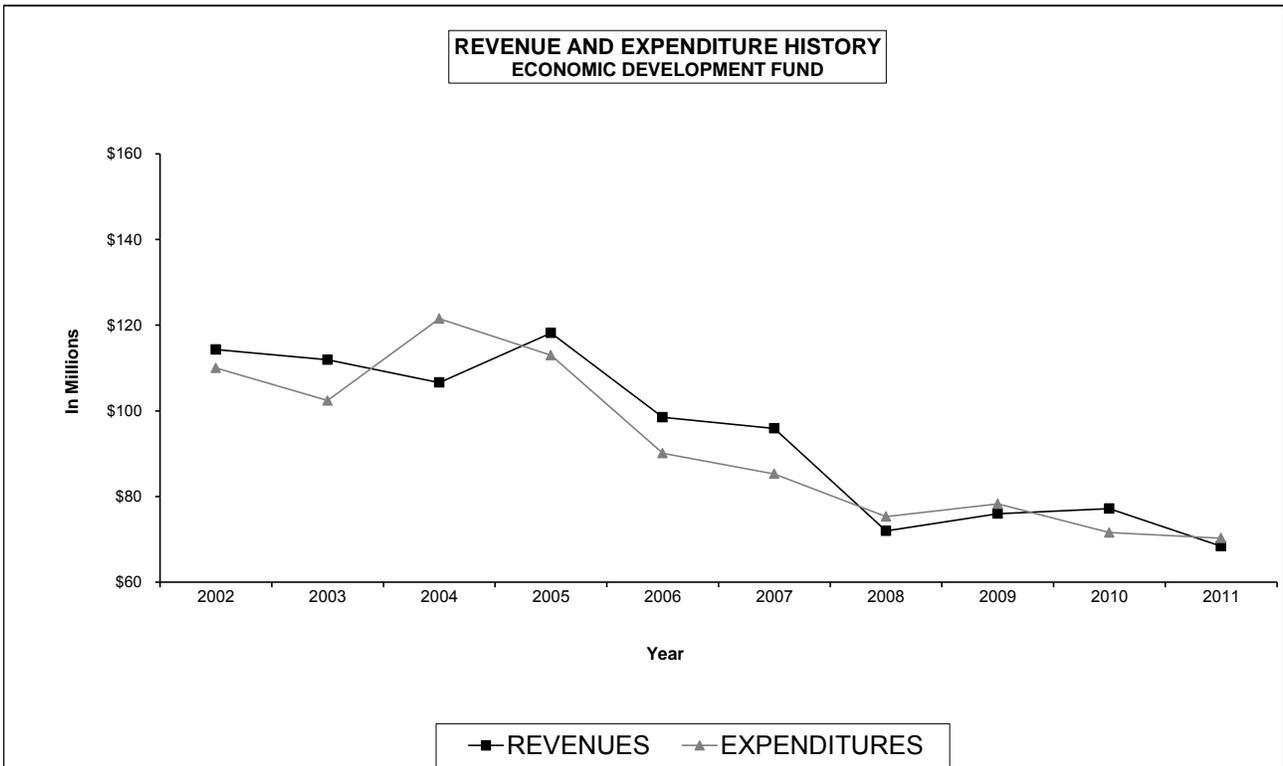
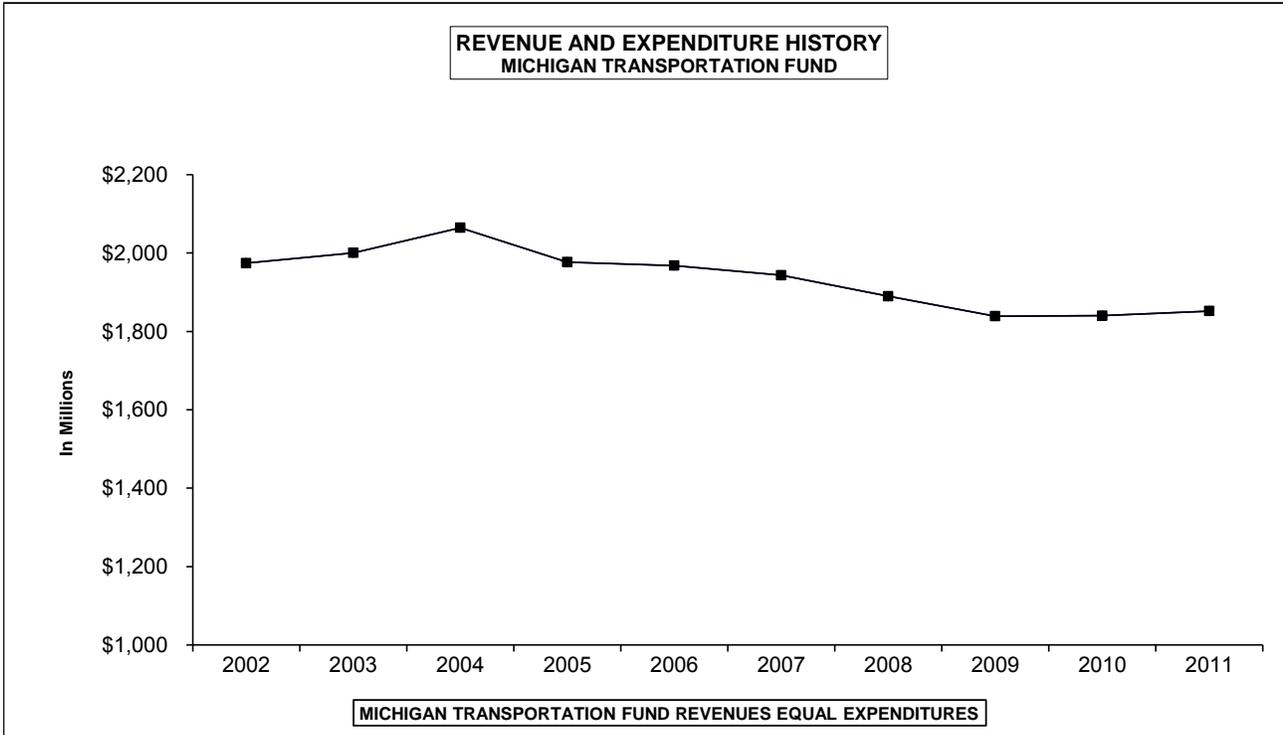
EXPENDITURES AND OTHER USES



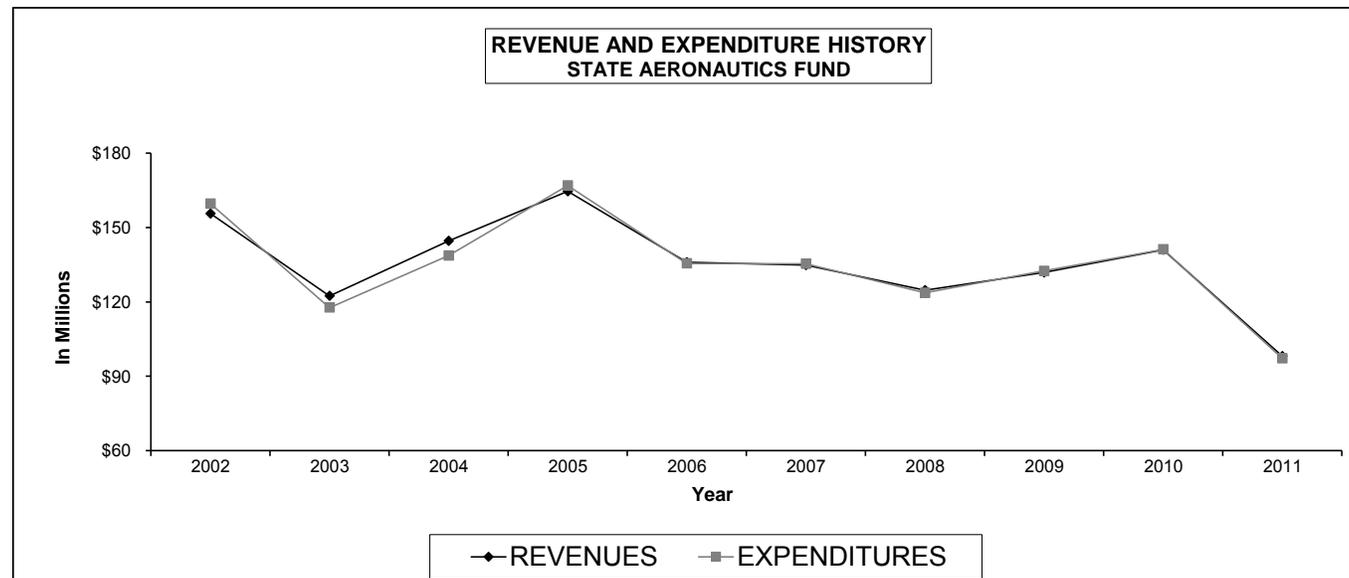
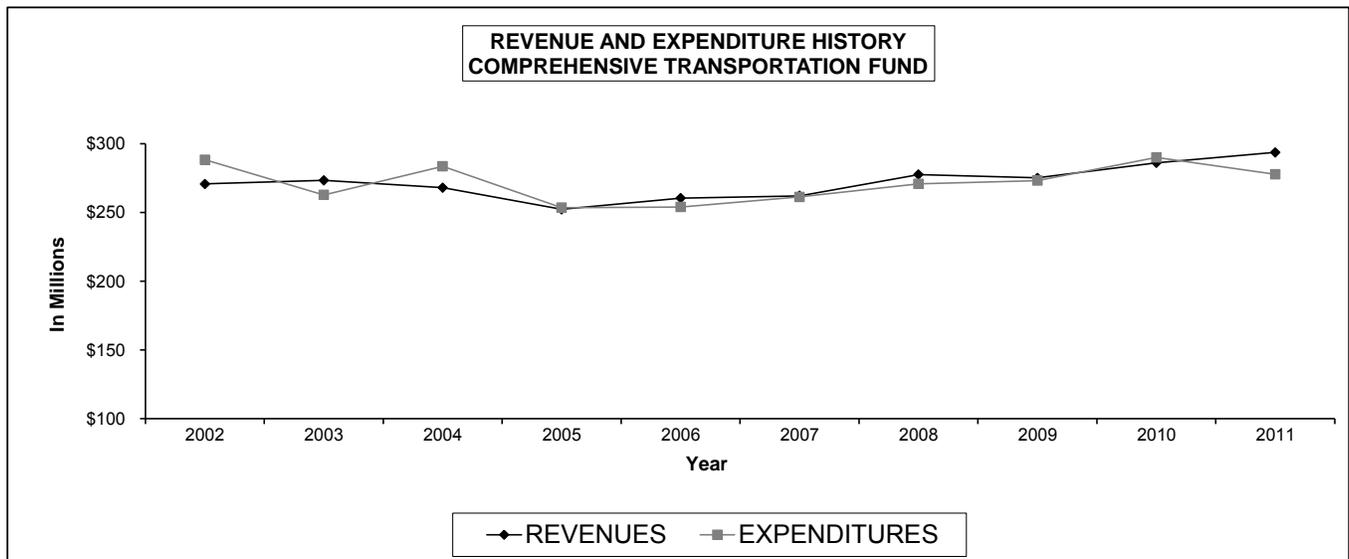
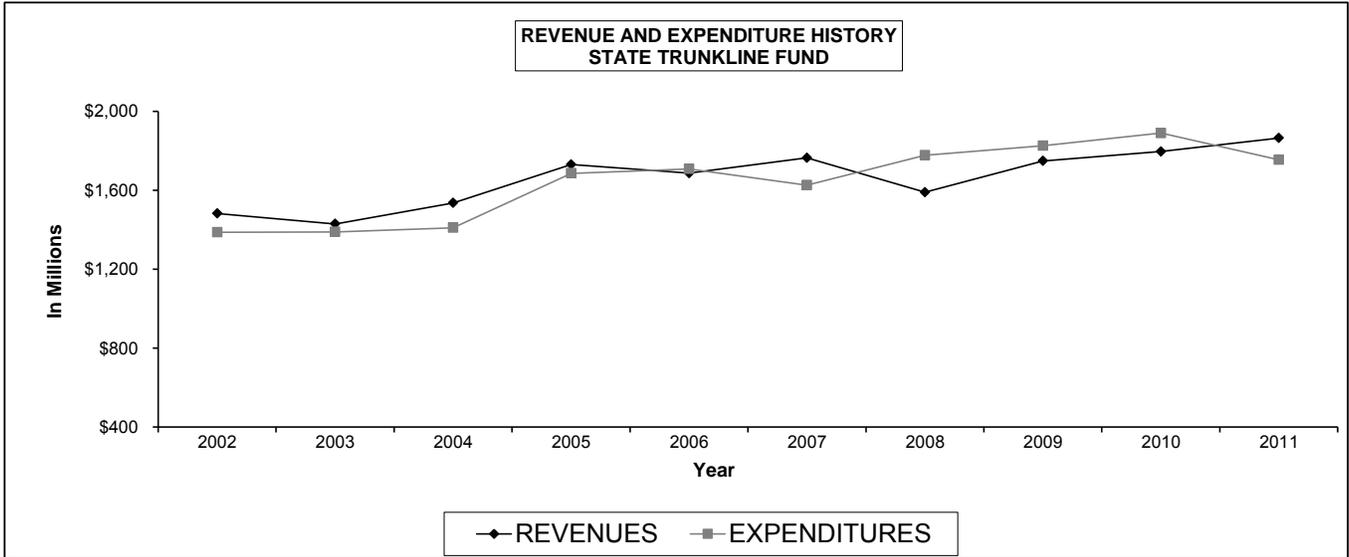
MICHIGAN DEPARTMENT OF TRANSPORTATION
ECONOMIC DEVELOPMENT FUND GRAPHICS
 FISCAL YEARS ENDED SEPTEMBER 30, 2011 AND 2010



MICHIGAN DEPARTMENT OF TRANSPORTATION
TEN YEAR REVENUE AND EXPENDITURE HISTORY



MICHIGAN DEPARTMENT OF TRANSPORTATION
TEN YEAR REVENUE AND EXPENDITURE HISTORY



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

FISCAL YEARS ENDED SEPTEMBER 30, 2011 AND 2010

