

STATE OF MICHIGAN
NOTES TO FINANCIAL STATEMENTS (Continued)
 FISCAL YEAR ENDED SEPTEMBER 30, 1999

NOTE 22 – EQUITY TRANSFERS AND CHANGES IN CONTRIBUTED CAPITAL

A. Equity Transfers

The General Fund received an equity transfer of \$6.5 million from the Liquor Purchase Revolving Fund (an enterprise fund) during fiscal year 1998-99. The transfer of accumulated retained earnings and cash from the Liquor Purchase Revolving Fund that exceeds the fund's operating requirements is made at the discretion of the State Budget Director, with the authority of Public Act 431 of 1984, as amended.

The General Fund made a total of \$17.4 million in equity transfers to component units during fiscal year 1998-99. Equity transfers of \$13.0 million and \$4.3 million were made to the Michigan Municipal Bond Authority (a discretely presented component unit) to provide revolving loan capital for the Water Pollution Control Loan Program and for state matching of federal funds.

Equity transfers totaling \$.8 million were made from three different Self-Insured Disability Funds within the Miscellaneous Trust Accounts Fund (an expendable trust fund) to the Self-Insurers' Security Fund within the Miscellaneous Trust Accounts Fund. These equity transfers were made to comply with court orders to close the Self-Insured Disability Funds.

An equity transfer of \$162.7 million was made from the Michigan Strategic Fund (a discretely presented component unit) to the Michigan Economic Development Corporation (a discretely presented component unit) in compliance with Executive Order 1999-01.

An equity transfer of \$8.1 million was made from the Miscellaneous Trust Accounts Fund (an expendable trust fund) to the Michigan Strategic Fund (a discretely presented component unit) to transfer the net assets of the Michigan Urban Land Assembly in compliance with Executive Order 1999-01.

An equity transfer of \$36.1 million was made within the Michigan Higher Education Assistance Authority (a discretely presented component unit) from a proprietary fund to a governmental fund to comply with federal legislation concerning federal student loans.

An equity transfer of \$.1 million was made from the State Building Authority capital projects fund to the State Building Authority debt service fund to transfer net assets between bond issues.

B. Changes in Contributed Capital

The following table summarizes contributed capital transactions made during the year (in millions):

	Primary Government			Component Units			
	Correctional Industries Revolving Fund	Motor Transport Fund	Total	Michigan Higher Education Assistance Authority	Michigan Municipal Bond Authority	Michigan Economic Development Corporation	Total
Beginning balance	\$ 1.5	\$ 8.4	\$ 9.9	\$ 1.5	\$ 634.1	\$ -	\$ 635.6
Contributed capital additions	.1	-	.1	-	-	-	-
Equity transfers from primary government	-	-	-	-	17.4	-	17.4
Equity transfers from component units	-	-	-	-	-	162.7	162.7
Federal grants	-	-	-	-	104.9	-	104.9
Ending balance	<u>\$ 1.5</u>	<u>\$ 8.4</u>	<u>\$ 10.0</u>	<u>\$ 1.5</u>	<u>\$ 756.3</u>	<u>\$ 162.7</u>	<u>\$ 920.5</u>

Contributed capital was first recorded by the State as of the beginning of the 1986-87 fiscal year. The amounts contributed prior to 1986-87 are not reasonably determinable, except for the amounts related to the Motor Transport Fund and the

Michigan Higher Education Assistance Authority. Contributions received in other funds prior to 1986-87 are reflected as retained earnings.