

ANNUAL REPORT

of the Michigan State Treasurer



Rick Snyder, Governor | Andy Dillon, Treasurer

Fiscal Year 2011-2012

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Note: Dollar figures in financial tables represent thousands of dollars unless indicated otherwise. Figures may not add to totals because of rounding.



STATE OF MICHIGAN
DEPARTMENT OF TREASURY
LANSING

RICK SNYDER
GOVERNOR

ANDY DILLON
STATE TREASURER

The Honorable Rick Snyder
Members of the Michigan Legislature
People of the State of Michigan

Attached for your review is the Annual Report of the Michigan State Treasurer for Fiscal Year (FY) 2011-2012. This report contains financial information regarding the State Treasurer's Common Cash Fund; Investment Portfolios and Revenues; Michigan's General Obligation Debt, Bond, and Note Payments; as well as State Administered Tax Revenues collected during FY 2012.

Sincerely,

A handwritten signature in black ink, appearing to read "Andy Dillon".

Andy Dillon
State Treasurer

Schedule 1



State Treasurer's Common Cash - Assets and Equities ^(a) (In Dollars)

	<u>Fiscal Year Ended September 30</u>	
	<u>2012</u>	<u>2011</u>
<u>Assets</u>		
Cash on Hand (Vault)	\$ 416	\$ 504
Demand Deposits ^(b)	2,214,440,584	1,626,596,662
Time Deposits - Regular	-0-	2,500,000
Time Deposits - Marina Loan Program	-0-	-0-
Time Deposits and Notes - Agricultural Loan Program	-0-	-0-
Prime Commercial Paper - At Cost ^(c)	2,313,630,513	1,958,169,705
Emergency Municipal Loans ^(d)	81,788,884	64,728,884
Total	\$ <u>4,609,860,397</u>	\$ <u>3,651,995,755</u>
<u>Equities</u>		
Available Equity of Other Funds	\$ 4,508,084,780	\$ 3,491,194,610
Outstanding Warrants	101,775,617	160,801,145
Total	\$ <u>4,609,860,397</u>	\$ <u>3,651,995,755</u>

Schedule 2



Investment Portfolios of Specific Funds (In Thousands of Dollars)

Fund	Short-Term Investments	Fixed Income Securities	Equities and Mutual Funds	Real Estate and Mortgages	Alternative Investments	Absolute Return	International Equities	FY Ended Sept. 30	
								2012 Total	2011 Total
Legislative Retirement	\$ 2,347	\$ 29,772	\$ 124,659	\$ -0-	\$ 8,087	\$ -0-	\$ -0-	\$ 164,865	\$ 145,879
State Police Retirement	83,402	142,492	296,240	115,683	233,868	83,220	152,433	1,107,338	1,004,237
State Employees' Retirement	583,345	1,281,654	2,621,338	1,029,783	2,031,277	799,426	1,380,939	9,727,762	8,969,067
Public School Employees' Retirement	2,489,116	5,266,520	10,971,093	4,112,275	8,584,638	3,409,074	5,577,607	40,410,323	37,156,066
Judges' Retirement	7,083	38,221	69,985	33,914	38,584	22,440	36,291	246,518	231,135
Michigan Veterans' Trust	3,666	38,830	11,923	-0-	-0-	-0-	-0-	54,419	50,956
Game & Fish Lifetime License Trust	15,475	1,521	-0-	-0-	-0-	-0-	-0-	16,996	17,238
Game & Fish Protection Trust	24,929	122,900	59,591	-0-	825	-0-	-0-	208,245	192,860
Michigan Natural Resources Trust	204,735	369,827	143,803	-0-	2,434	-0-	-0-	720,799	702,084
Michigan State Parks Endowment	45,534	117,505	41,187	-0-	667	-0-	-0-	204,893	170,066
Children's Trust	847	17,741	6,274	-0-	-0-	-0-	-0-	24,862	23,223
Michigan Nongame Fish and Wildlife Trust	805	5,431	720	-0-	-0-	-0-	-0-	6,956	6,850
State Lottery	12,973	265,697	-0-	-0-	-0-	-0-	-0-	278,670	315,460
Michigan Higher Education Assistance Authority	1,504	-0-	-0-	-0-	-0-	-0-	-0-	1,504	1,502
Michigan Education Trust	87,596	290,163	463,410	-0-	-0-	-0-	-0-	841,169	737,745
Mackinac Bridge Authority	3,629	58,572	-0-	-0-	-0-	-0-	-0-	62,201	56,504
Gift, Bequests and Deposits Investment	17,369	21,129	10	-0-	-0-	-0-	-0-	38,508	35,943
Totals	\$3,584,355	\$8,067,975	\$14,810,233	\$5,291,655	\$10,900,380	\$4,314,160	\$7,147,270	\$54,116,028	\$49,816,815

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

Schedule 3



Investment Revenues (In Thousands of Dollars)

Fund	Common Cash	Specific Funds	Total Revenues Fiscal Year Ended September 30	
			2012	2011
General	\$ (1,297)	\$ -0-	\$ (1,297)	\$ (722)
Counter - Cyclical Budget And Economic Stabilization	-0-	-0-	-0-	4
Game and Fish Lifetime License Trust	9	100	109	50
State Aeronautics	8	-0-	8	35
Michigan Veterans' Trust	4	5,856	5,860	1,516
State Trunkline	582	-0-	582	849
Michigan State Waterways	32	-0-	32	50
Blue Water Bridge	54	-0-	54	61
Michigan Transportation	178	-0-	178	298
Comprehensive Transportation	55	-0-	55	37
School Aid	902	-0-	902	512
Game and Fish Protection Trust	35	24,298	24,333	5,700
State Park Improvement	14	-0-	14	17
Forest Development	2	-0-	2	19
Michigan Natural Resources Trust	236	62,913	63,149	16,140
Michigan State Parks Endowment	51	17,616	17,667	4,893
Safety Education and Training	5	-0-	5	8
Clean Michigan Initiative Bond - Local Projects	-0-	-0-	-0-	4
Environmental Protection Bond	(1)	-0-	(1)	16
Clean Michigan Initiative Bond - Environment Projects	-0-	-0-	-0-	32
Bottle Deposits	58	-0-	58	92
State Construction Code	3	-0-	3	9
Children's Trust	2	2,729	2,731	522
Michigan Nongame Fish and Wildlife	1	464	465	218
21st Century Jobs Trust	182	-0-	182	296
1992 State Trunkline Bond Proceeds	1	-0-	1	3
Michigan Merit Award Trust	44	-0-	44	20
State Trunkline Bond Proceeds	110	-0-	110	138
Comprehensive Transportation Bond Proceeds	50	-0-	50	110
Outdoor Recreation Legacy	2	-0-	2	3
Off-Road Vehicle	4	-0-	4	7
Snowmobile	6	-0-	6	10
Unemployment Obligation Trust	7	-0-	7	-0-
Liquor Purchasing Revolving	90	-0-	90	115
State Lottery	125	15,449	15,574	2,949

Schedule 3



Continued. . . (In Thousands of Dollars)

Fund	Common Cash	Specific Funds	Total Revenues Fiscal Year Ended September 30	
			2012	2011
Michigan Strategic	\$ 3	\$ -0-	\$ 3	\$ (1)
Michigan State Housing Development	1	-0-	1	-0-
Michigan Economic Development Corp	-0-	-0-	-0-	1
Land Bank Fast Track	1	-0-	1	3
Jobs For Michigan Investment	67	-0-	67	52
State Sponsored Group Insurance	298	-0-	298	459
State Water Pollution Control Loan	6	-0-	6	4
School Loan Revolving	151	-0-	151	198
Combined State Trunkline Bond and Interest Redemption	-0-	-0-	-0-	3
Combined Comprehensive Transportation Bond and Interest Redemption	1	-0-	1	-0-
Recreation & Environmental Protection Bond	1	-0-	1	1
Clean Michigan Initiative Bond - State Projects	-0-	-0-	-0-	3
Legislative Retirement	3	29,806	29,809	(513)
State Police Retirement	2	155,134	155,136	45,826
State Employees' Retirement	29	1,379,685	1,379,714	404,603
Public School Employees' Retirement	37	5,735,792	5,735,829	1,594,584
Judges' Retirement	1	35,593	35,594	10,786
Michigan Employment Security Act Contingent	14	-0-	14	45
Vietnam Veterans' Memorial Monument	-0-	-0-	-0-	1
Military Family Relief	3	-0-	3	5
Intrastate Switched Toll Restruct. Fund	7	-0-	7	3
Gifts, Bequests, and Deposits Investment	27	1,081	1,108	851
Silicosis, Dust Disease, and Logging Industry Compensation	2	-0-	2	4
Second Injury	14	-0-	14	19
Self-Insurers' Security	23	-0-	23	38
State Employees' Deferred Compensation I (457)	1	-0-	1	3
State Employees' Deferred Compensation II (401 (k))	1	-0-	1	2
State of Michigan MPSERS DC 457	1	-0-	1	1
Environmental Quality Deposits	3	-0-	3	5
Utility Consumer Representation	3	-0-	3	6
Transportation Related Trust	(10)	-0-	(10)	(15)
Michigan Higher Education Assistance Authority	2	-0-	2	1
Mackinac Bridge Authority	-0-	2,707	2,707	1,931
Michigan Education Trust	-0-	114,969	114,969	2,107
TOTALS	\$ 2,246	\$ 7,584,192	\$ 7,586,438	\$ 2,095,027

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

Notes to Financial Schedules



NOTE 1: SIGNIFICANT ACCOUNTING POLICIES

a. Report Presentation

The accompanying financial schedules report the assets and equities of the State Treasurer's common cash (Schedule 1), investment portfolios of specific funds (Schedule 2), and investment revenues of the common cash and specific funds (Schedule 3).

The State Treasurer's common cash and specific funds are accounted for in various funds of the State of Michigan and reported in the *State of Michigan Comprehensive Annual Financial Report*.

The *State of Michigan Comprehensive Annual Financial Report* provides more extensive general disclosures regarding the State Treasurer's common cash and deposits and investments. These disclosures provide information regarding market values and risk levels of the deposits and investments.

Common Cash Pool. The State Treasurer, under the authority provided by State statute, manages the State's common cash pool. The pooling of cash allows the State Treasurer to invest money not needed to pay immediate obligations so that investment earnings on available cash are maximized. Pool investments are not segregated by fund; rather, each contributing fund's balance is treated as equity in the common cash pool.

Investments. The State Treasurer, under authority provided by State statutes, manages most investments for the State of Michigan.

Short-Term Investments: This category includes each of the listed fund's individually held short-term investments by classification, the fund's equity in the State Treasurer's common cash pool, and receivables and payables pertaining to security trades not yet settled at fiscal year-end.

Alternative Investments: These investments consist of limited partnerships.

Derivatives: Derivatives are financial instruments whose value is derived from, or based on, an underlying security, asset, reference rate, or index. The State Treasurer only uses derivatives securities or related contractual agreements to hedge assets held or to replicate asset returns. Derivatives are not used for speculation or to leverage the investment portfolios.

The State Treasurer invests in derivatives as detailed below:

- *Fixed Income Investments (Derivatives - Future Contracts):* U.S. Treasury Bond Future Contracts are investments to manage duration and yield curve exposure. On September 30, 2012 and 2011, future contracts represent 0.2 percent and less than 0.1 percent of the fixed income investment category, respectively, and less than 0.1 percent of the total pension trust funds.
- *Domestic Equity Investments and Absolute Return Investments (Derivatives - Option Contracts):* Option Contracts are investments on single securities to provide downside protection and enhance current income. On September 30, 2012, option contracts represent less than 0.1 percent of the domestic equity investment category and on September 30, 2011, option contracts represent less than 0.1 percent of the absolute return investment category. They represent less than 0.1 percent of the pension trust funds on September 30, 2012 and 2011.
- *Absolute Return Investments (Derivatives - Structured Notes):* Structured notes are investments to enhance management flexibility and manage duration and yield curve exposure. On September 30, 2012 and 2011, structured notes represent 8.3 percent and 11.4 percent of the absolute return investment category, respectively, and 0.7 percent of the pension trust funds.
- *International Equity Investments (Derivatives - Swaps):* International equity investments swap agreements are investments tied to stock market indices in 22 foreign countries and are the core of the international equity market investment strategy. On September 30, 2012 and 2011, the swap agreements represented 13.0 percent and 33.8 percent of the international equity investment category, respectively.
- *Domestic Equity Investments (Derivatives - Swaps):* Domestic equity swap agreements are investments tied to U.S. Stock indices. On September 30, 2012 and 2011, these swap agreements represent 0.8 percent and 0.2 percent of the domestic equity investment category, respectively.
- *Absolute Return Investments (Derivatives - Swap Currency Forward):* Absolute Return swap currency forward agreements are investments tied to foreign currency spot rates. On September 30, 2012 and 2011, these swap currency forward represent less than 0.1 percent of the absolute return investment category.



The swap contractual agreements are made with large global banks and brokerage firms. On September 30, 2012 and 2011, they represent 2.0 percent and 4.3 percent of the total pension trust funds, respectively.

Separately issued financial reports including financial statements and required supplementary information are issued for the pension trust funds. These provide more extensive disclosure for derivatives.

b. Basis of Accounting

Schedule 1, *State Treasurer’s Common Cash - Assets and Equities*, is presented on the cash basis of accounting. (*The State of Michigan Comprehensive Annual Financial Report’s* disclosure regarding the State Treasurer’s common cash includes \$90 thousand in interest receivable, because it is presented on the modified accrual basis of accounting.) Schedule 2, *Investment Portfolios of Specific Funds*, and Schedule 3, *Investment Revenues*, are reported on the accrual basis of accounting.

These financial schedules are not intended to constitute a complete financial presentation of either the Department of Treasury or the State’s General Fund in accordance with accounting principles generally accepted in the United States of America.

c. Valuations of Investments

Schedule 1. All investments are reported at cost.

Demand deposits represent the account balance reported on bank statements and include deposits which are in the process of being collected through the banking system.

The market value of prime commercial paper and time deposits - regular at September 30, 2012 and 2011, was \$2,313.7 and \$1,960.8 million, respectively.

Schedule 2. Methods used to value investments.

All investments are reported at fair value. Securities traded on a national exchange are valued at last reported sales price. The fair value of real estate investments is based on independent appraisals. Investments that do not have an established market are reported at estimated fair value.

d. Securities Lending Transactions

Under the authority of Act No. 314 of the Public Acts of 1965, the State lends securities to broker-dealers and other entities for collateral that will be returned for the same securities in the future. The State’s third-party agent, Credit Suisse, manages the securities lending program and receives cash collateral. The agent is not liable for any losses on the management of the cash collateral portfolio unless there is negligence or willful misconduct on its part. The collateral cash cannot be pledged or sold by the State and the State receives cash collateral in the amount of at least 102 percent of the market value of the securities lent. The types of securities lent are government securities, corporate bonds, and equities. There is no restriction on the amount of securities lent. Because the loans were terminable at will, their duration did not generally match the duration of the investments made with cash collateral. At September 30, 2012 and 2011, the State had no outstanding credit risk on the securities lent. The market value of the securities lent at September 30, 2012 and 2011 was \$3,875.9 and \$6,576.7 million, respectively. The amortized cost of the securities lending cash collateral pool at September 30, 2012 and 2011 was \$4,975 and \$6,714.9 million respectively. The market value of securities lending cash collateral pool at September 30, 2012, and 2011, was \$4,993.4 and \$5,404.1 million respectively.

NOTE 2: CHANGE IN REPORTING OF FUNDS

Effective for FY ended September 30, 2012:

Unemployment Obligation Trust and Michigan State Housing Development were added to Schedule 3. Homeowners Construction Lien Recovery was removed from Schedule 3.

2001 Build Michigan II Bond Proceeds was renamed State Trunkline Bond Proceeds.

Effective for FY ended September 30, 2011:

Michigan Economic Development Corp, Intrastate Switched Toll Restructure, and State of Michigan MPSERS DC 457 were added to Schedule 3

Recreation Bond – Local Projects, State Fair Exposition and Fairground, Recreation Bond Fund – State Projects, Law Enforcement Officers Memorial, Children’s Institute Trust, Hospital Patients’ Trust were removed from Schedule 3. Michigan Civilian Conservation Corps was removed from Schedule 2 and 3.

Michigan Promotion was renamed Michigan Strategic.

Cash and Investments

The State Treasurer manages the State's cash so funds not needed to pay immediate obligations are invested to earn income. Investments include time certificates of deposit and prime commercial paper as detailed in Schedule 1, *State Treasurer's Common Cash - Assets and Equities*.

Statutes also allow the State Treasurer to loan funds from the common cash pool to financially troubled municipalities in Michigan and to make common cash available to Michigan farmers experiencing financial stress.

The common cash fund pools the cash balances of certain State funds until paid as provided by law.

Manageable common cash includes the following funds:

- General
- School Aid
- Budget Stabilization
- Special Revenue and Enterprise
- Internal Service
- Trust and Agency

The State Treasurer is authorized to transfer cash on hand and on deposit among the various funds in the State Treasury, except funds established to pay debts service on notes and bonds, in such a manner as to best manage the available cash, maximize short-term investment earnings, and ensure State obligations are paid when due.

Table 1

Investment Revenues for Fiscal Years (In Thousands of Dollars)

	General Fund Common Cash Earnings (Expenses) ^(a)	Public School Employees' Retirement	State Employees' Retirement	State Police Retirement	Judges' Retirement	Other Investment Funds	Totals
2012	\$ (1,297)	\$ 5,735,829	\$ 1,379,714	\$ 155,136	\$ 35,594	\$ 281,462	\$ 7,586,438
2011	(722)	1,594,584	404,603	45,826	10,786	64,950	2,120,027
2010	(3,758)	3,846,693	927,685	104,319	22,723	176,040	5,073,702
2009	(3,076)	(2,591,269)	(652,076)	(74,793)	(20,709)	129,566	(3,212,357)
2008	(17,012)	(7,360,810)	(1,819,798)	(200,062)	(47,948)	9,025	(9,436,605)
2007	(25,140)	7,293,036	1,819,563	203,509	50,121	249,852	9,590,941
2006	(7,130)	5,023,726	1,267,821	142,130	34,774	192,070	6,653,391
2005	(16,043)	4,622,419	1,184,720	132,583	32,277	148,797	6,104,753
2004	(10,258)	4,227,384	1,092,404	120,506	29,167	117,941	5,577,145
2003	(5,891)	4,622,454	1,240,425	135,298	34,929	137,619	6,164,834

(a)

Fiscal Year Ending	Total State Treasurer's Common Cash Fund and General Obligation Note Retirement Fund Earnings	Distribution of Earnings to Retirement and Other Funds Reported in Their Earnings	General Fund Common Cash Earnings (Expenses)
2012	\$ 2,246	\$ 3,543	\$ (1,297)
2011	3,663	4,385	(722)
2010	2,901	6,659	(3,758)
2009	22,189	25,265	(3,076)
2008	68,893	85,905	(17,012)
2007	80,107	105,247	(25,140)
2006	82,456	89,586	(7,130)
2005	46,256	62,299	(16,043)
2004	18,440	28,699	(10,258)
2003	27,892	33,783	(5,891)

Table 2**Available Month-End Common Cash** (In Millions of Dollars)

Month	Combined General Fund & School Aid Fund ^(a)	Other Funds	Manageable Common Cash ^(b)	Retirement Funds	Bond Funds ^{(c)(d)}	Total Common Cash
October 2011	\$ 1,931.1	\$ 2,031.8	\$ 3,962.8	\$ 198.4	\$ 175.1	\$ 4,336.4
November	1,879.6	1,912.4	3,792.1	159.2	160.0	4,111.3
December	1,562.7	2,024.7	3,587.4	436.0	193.3	4,216.7
January 2012	1,930.1	1,980.4	3,910.5	144.0	187.4	4,241.9
February	963.2	2,129.1	3,092.3	148.4	183.6	3,424.2
March	262.1	2,063.8	2,325.9	153.2	160.7	2,639.8
April	306.4	2,311.9	2,618.3	120.9	281.1	3,020.2
May	12.0	2,242.8	2,254.8	160.6	157.6	2,572.9
June	(24.7)	2,276.0	2,251.3	171.9	140.1	2,563.3
July	209.2	2,353.2	2,562.5	175.8	137.2	2,875.5
August	(58.7)	2,396.5	2,337.8	308.0	123.7	2,769.5
September	1,639.7	2,470.2	4,109.9	262.7	135.5	4,508.1

- (a) In accordance with Governmental Accounting Standards Board (GASB) Statement No. 54 Fund Balance Reporting and Governmental Fund Type Definition the Budget Stabilization Fund is a committed subfund of the General Fund. As of September 30, 2012 the balance was \$365.1 million.
- (b) Manageable Common Cash Includes the General, School Aid, Budget Stabilization, Special Revenue, Enterprise, Internal Service, Trust, and Agency Funds.
- (c) Includes Debt Service and Bond Funds.
- (d) In accordance with Governmental Accounting Standards Board (GASB) Statement No. 54 Fund Balance Reporting and Governmental Fund Type Definition the School Bond Loan Fund, Environmental Protection Bond Fund, the Clean Michigan Initiative Bond Fund – Environmental Projects and the Great Lakes Water Quality Bond Fund are restricted subfunds of the General Fund, which, combined, amounted to \$38.0 million as of September 30, 2012.

Table 3**Common Cash History** (In Millions of Dollars)

Fiscal Year Ended	Combined General Fund and School Aid Fund	Budget Stabilization Fund ^(a)	Other Funds	Manageable Common Cash ^(b)	Retirement Funds	Bond Funds ^(c)	Total Common Cash
September 2003	\$ (490.1)	\$ 0.0	\$ 1,915.8	\$ 1,425.7	\$ 152.2	\$ 418.3	\$ 1,996.2
September 2004	(897.6)	0.0	2,077.2	1,179.6	197.5	402.7	1,779.8
September 2005	(856.4)	2.0	1,873.3	1,018.9	103.7	241.6	1,364.2
September 2006	(1,300.5)	2.0	2,159.3	860.8	93.2	443.5	1,397.5
September 2007	(1,004.4)	2.1	2,396.9	1,394.6	133.7	423.4	1,951.7
September 2008	(616.6)	2.2	2,088.7	1,474.3	822.0	154.6	2,450.9
September 2009	(762.3)	2.2	1,843.8	1,083.7	138.7	317.4	1,539.8
September 2010	(373.7)	2.2	1,742.1	1,370.6	85.5	151.4	1,607.5
September 2011	1,025.1	2.2	2,109.5	3,136.8	244.5	109.9 ^(d)	3,491.2
September 2012	1,274.6	365.1	2,470.2	4,109.9	262.7	135.5 ^(d)	4,508.1

- (a) The State implemented Governmental Accounting Standards Board (GASB) Statement No. 54 Fund Balance Reporting and Governmental Fund Type Definition during fiscal year 2011. As a result, the Budget Stabilization Fund was reclassified as a committed subfund of the General Fund.
- (b) Manageable Common Cash Includes the General, School Aid, Budget Stabilization, Special Revenue, Enterprise, Internal Service, Trust, and Agency Funds.
- (c) Includes Debt Service and Bond Funds.
- (d) During fiscal year 2011, the State implemented Governmental Accounting Standards Board (GASB) Statement No. 54 Fund Balance Reporting and Governmental Fund Type Definition. As a result, the School Bond Loan Fund, Environmental Protection Bond Fund, the Clean Michigan Initiative Bond Fund – Environmental Projects and the Great Lakes Water Quality Bond Fund were reclassified and are accounted for as restricted subfunds of the General Fund which, combined, amounted to \$25.9 million as of as of September 30, 2011 and \$38.0 million as of September 30, 2012. These funds are included in the Bond Funds balance in prior years.

Table 4



State Treasurer's Common Cash Fund, Cash Balances, and Transactions by Fund (In Thousands of Dollars)

Fund	Cash Balances 10-1-11	Receipts ^(a)	Disbursements ^(b)	Transfers In	Transfers Out	Cash Balances 9-30-12	Warrants Outstanding	Available Balances 9-30-12
GENERAL AND SCHOOL AID								
General	\$ 1,813,905	\$ 38,341,704	\$ 37,760,527	\$ 234,108	\$ 331,306	\$ 2,297,884	\$ 79,038	\$ 2,218,845
Budget Stabilization ^(c)	2,189	362,913	-0-	-0-	-0-	365,102	-0-	365,102
School Aid	(654,277)	11,984,153	13,037,412	857,074	93,575	(944,036)	234	(944,270)
Total General and School Aid	\$ 1,161,817	\$ 50,688,769	\$ 50,797,939	\$ 1,091,183	\$ 424,881	\$ 1,718,949	\$ 79,272	\$ 1,639,677
SPECIAL REVENUE								
Game and Fish Protection	\$ 15,757	\$ 54,440	\$ 73,475	\$ 19,393	\$ 640	\$ 15,475	\$ 86	\$ 15,389
Michigan Employment Security Act-Administration	(13,654)	168,640	197,520	16,329	1,789	(27,995)	18	(28,012)
State Aeronautics	13,305	125,501	126,278	6,339	3,564	15,304	1,541	13,763
Michigan Veterans' Trust	5,450	18,686	20,463	-0-	7	3,666	1	3,665
State Trunkline	562,612	864,495	1,477,919	823,501	217,638	555,051	1,084	553,967
Michigan State Waterways	29,536	17,237	31,961	13,129	275	27,666	12	27,654
Blue Water Bridge	42,440	22,973	11,696	-0-	2,285	51,432	11	51,422
Michigan Transportation	129,721	1,894,676	946,375	530	960,534	118,018	926	117,092
Comprehensive Transportation	74,827	152,854	263,665	160,928	20,049	104,895	198	104,697
Game and Fish Protection Trust	19,132	72,295	49,438	-0-	17,059	24,929	-0-	24,929
State Park Improvement	11,745	49,480	45,828	-0-	1,680	13,717	14	13,703
Forest Development	11,367	29,734	34,766	955	383	6,907	20	6,887
Michigan Natural Resources Trust	218,358	233,284	246,931	-0-	34	204,677	261	204,416
Michigan State Parks Endowment	37,271	71,762	63,401	-0-	98	45,534	19	45,515
Safety Education and Training	7,225	10,323	9,735	-0-	90	7,723	5	7,718
Bottle Deposits	65,620	23,907	24,479	6,080	3,344	67,783	48	67,735
State Construction Code	3,645	7,749	9,846	-0-	119	1,429	3	1,426
Children's Trust	1,697	9,280	10,126	-0-	4	847	5	842
State Casino Gaming	10,164	35,072	21,211	1,709	13,684	12,051	-0-	12,050
Homeowner Construction Lien Recovery	56	49	-0-	-0-	-0-	105	-0-	105
Michigan Nongame Fish and Wildlife	486	1,460	1,136	-0-	5	805	-0-	805
21st Century Jobs Trust	135,811	75,000	92,253	75,000	-0-	193,558	-0-	193,558
Michigan Merit Award Trust	339	119,802	118,555	-0-	16	1,571	-0-	1,571
Outdoor Recreation Legacy	2,329	1,607	2,517	985	22	2,382	1	2,382
Off-Road Vehicle	4,017	3,483	3,609	-0-	33	3,858	3	3,856
Snowmobile	6,243	7,037	8,707	2,298	33	6,838	-0-	6,838
Unemployment Obligation Trust	-0-	227,033	224,944	-0-	-0-	2,090	-0-	2,090
State Building Authority Advance Financing	(13,994)	126,963	118,963	1	-0-	(5,993)	-0-	(5,993)
Michigan Strategic	11,507	162,870	144,348	69	-0-	30,097	6	30,091
Land Bank Fast Track Authority	-0-	45,601	22,399	-0-	-0-	23,202	57	23,145
Jobs for Michigan Investment	56,803	118,706	87,260	-0-	69	88,181	-0-	88,181
Workforce Development Agency	-0-	304,419	301,473	-0-	-0-	2,946	12	2,935
Michigan Finance Authority - School Loan Revolving	124,809	285,424	196,811	-0-	-0-	213,421	-0-	213,421
Total Special Revenue	\$ 1,574,627	\$ 5,341,841	\$ 4,988,086	\$ 1,127,244	\$ 1,243,453	\$ 1,812,174	\$ 4,331	\$ 1,807,843

Table 4



Continued... (In Thousands of Dollars)

Fund	Cash Balances 10-1-11	Receipts ^(a)	Disbursements ^(b)	Transfers In	Transfers Out	Cash Balances 9-30-12	Warrants Outstanding	Available Balances 9-30-12
BOND AND DEBT SERVICE								
Recreation Bond - Local Projects	161	-0-	-0-	-0-	161	-0-	-0-	-0-
Clean Michigan Initiative Bond - Local Projects	142	-0-	-0-	-0-	-0-	143	-0-	143
1992 State Trunkline Bond Proceeds	1,561	36	1,537	-0-	-0-	60	-0-	60
1994 State Trunkline Bond Proceeds	33	(3)	28	-0-	-0-	2	-0-	2
State Trunkline Bond Proceeds	51,178	153,187	58,487	-0-	45,843	100,036	124	99,912
Build Michigan II - GARVEE Note Proceeds	(455)	529	319	-0-	-0-	(245)	-0-	(245)
Comprehensive Transportation Bond Proceeds	55,799	41	21,587	-0-	-0-	34,253	-0-	34,253
Combined State Trunkline Bond and Interest Redemption	-0-	57,988	273,221	215,234	-0-	-0-	-0-	-0-
Combined Comprehensive Transportation Bond and Interest Redemption	-0-	20,997	44,388	23,391	-0-	-0-	-0-	-0-
Recreation and Environmental Protection Bond Redemption	1,368	33,080	172,491	139,438	-0-	1,396	-0-	1,396
School Loan Bond Redemption	-0-	60,385	153,960	93,575	-0-	-0-	-0-	-0-
Recreation Bond - State Projects	154	-0-	-0-	-0-	154	-0-	-0-	-0-
Total Bond, Debt Service, and Capital Projects	\$ 109,944	\$ 326,240	\$ 726,019	\$ 471,638	\$ 46,158	\$ 135,644	\$ 124	\$ 135,520
ENTERPRISE								
Liquor Purchasing Revolving	64,194	872,429	692,342	-0-	175,821	68,459	1,240	67,219
State Lottery	15,933	1,444,731	660,582	-0-	787,109	12,973	163	12,809
Michigan Finance Authority - Michigan Guaranty Agency	1,502	2	-0-	-0-	-0-	1,504	-0-	1,504
Michigan State Housing Development Authority	-0-	244,901	244,901	-0-	-0-	-0-	7,002	(7,002)
Michigan Finance Authority - State Water Revolving	11	68,038	64,239	-0-	-0-	3,811	-0-	3,811
Total Enterprise	\$ 81,640	\$ 2,630,100	\$ 1,662,063	\$ -0-	\$ 962,930	\$ 86,747	\$ 8,405	\$ 78,341
INTERNAL SERVICE								
Correctional Industries Revolving	(7,342)	35,663	37,070	-0-	225	(8,974)	56	(9,029)
Motor Transport	5,897	61,664	58,662	-0-	45	8,855	2	8,853
Office Services Revolving	3,881	146,228	143,510	-0-	178	6,420	188	6,233
Information Technology	(8,765)	554,099	558,874	-0-	2,504	(16,044)	190	(16,234)
Risk Management	11,248	39,230	39,578	-0-	29	10,872	-0-	10,872
State Sponsored Group Insurance	244,636	739,085	701,291	-0-	-0-	282,429	5	282,425
Total Internal Service	\$ 249,555	\$ 1,575,969	\$ 1,538,985	\$ -0-	\$ 2,981	\$ 283,558	\$ 440	\$ 283,119

Table 4



Concluded... (In Thousands of Dollars)

Fund	Cash Balances 10-1-11	Receipts ^(a)	Disbursements ^(b)	Transfers In	Transfers Out	Cash Balances 9-30-12	Warrants Outstanding	Available Balances 9-30-12
RETIREMENT								
Legislative	3,087	67,526	68,149	-0-	-0-	2,464	28	2,437
State Police	13,375	528,216	521,469	-0-	1	20,121	57	20,064
State Employees'	111,418	5,326,828	5,349,253	-0-	26	88,967	964	88,003
Public School Employees'	121,129	18,562,690	18,530,704	-0-	140	152,975	3,519	149,456
Judges'	1,134	97,584	96,003	-0-	-0-	2,715	15	2,700
Total Retirement	\$ 250,143	\$ 24,582,843	\$ 24,565,577	\$ -0-	\$ 167	\$ 267,241	\$ 4,582	\$ 262,659
TRUST AND AGENCY								
Michigan Employment Security Act Contingent	3,094	57,103	40,256	-0-	9,329	10,612	-0-	10,612
Military Family Relief	2,334	182	104	-0-	-0-	2,412	6	2,406
IntraState Switched Toll Restructuring	3,441	20,108	16,210	-0-	3	7,336	6	7,329
Children's Institute Trust	102	-0-	-0-	-0-	-0-	102	-0-	102
Abandoned and Unclaimed Property (Escheats)	156,415	121,658	188,871	-0-	-0-	89,202	3,368	85,835
Gifts, Bequests and Deposits Investment	17,669	103,882	102,182	-0-	-0-	19,369	352	19,017
Silicosis, Dust Disease, and Logging Industry Compensation	2,274	1,118	1,589	-0-	9	1,794	112	1,682
Assigned Claims Facility and Plan	590	193,355	55,075	-0-	123	138,746	-0-	138,746
Second Injury	16,068	10,989	13,533	-0-	18	13,507	395	13,112
Hospital Patients	135	911	923	-0-	-0-	123	9	114
Self-Insurers' Security	23,073	9,357	7,404	-0-	10	25,016	65	24,951
State Employees' Deferred Comp. I (457)	1,436	43,294	43,330	-0-	-0-	1,400	-0-	1,400
State Employees' Deferred Comp. II (401K)	1,120	57,324	57,341	-0-	-0-	1,102	-0-	1,102
State of Michigan MPERS DC 457	508	8,084	8,156	-0-	-0-	437	-0-	437
State Employees' Defined Contribution Plan	221	199,352	199,115	-0-	-0-	459	-0-	459
Special Assessment Deferment	1,838	179	45	-0-	-0-	1,971	8	1,963
Environmental Quality Deposits	2,712	(209)	79	-0-	-0-	2,423	-0-	2,423
Insurance Carrier Deposits	7,059	69,570	74,955	-0-	-0-	1,674	-0-	1,674
Utility Consumer Representation	3,224	1,180	1,378	-0-	3	3,023	20	3,003
Transportation Related	(19,040)	281,027	277,207	-0-	-0-	(15,220)	279	(15,499)
State of Michigan MPERS DC 401K	-0-	95	38	-0-	-0-	57	-0-	57
Total Trust and Agency	\$ 224,270	\$ 1,178,560	\$ 1,087,789	\$ -0-	\$ 9,494	\$ 305,547	\$ 4,621	\$ 300,925
GRAND TOTALS	\$ 3,651,996	\$ 86,324,323	\$ 85,366,458	\$ 2,690,065	\$ 2,690,065	\$ 4,609,860	\$ 101,776	\$ 4,508,085

(a) Receipts include \$17,740.8 million of securities sold and matured.

(b) Disbursements include \$17,703.8 million of securities purchased.

(c) The State implemented Governmental Accounting Standards Board (GASB) Statement No. 54 Fund Balance Reporting and Governmental Fund Type Definition during fiscal year 2011. As a result, the Budget Stabilization Fund was reclassified as a committed subfund of the General Fund.

Table 5



Demand Depositories as of September 30, 2012 (In Thousands of Dollars)

City	Depository Bank	Deposits ^(a)	City	Depository Bank	Deposits ^(a)
Adrian	First Federal Bank	\$ 165	Lansing	Bank of America-Credit Card	0
Alma	Firstbank, Alma	151		Bank of America-Main Account	6,821
Bad Axe	Signature Bank	36	Lapeer	Lapeer County Bank and Trust	86
Baldwin	Lake Osceola State Bank	50	Manistique	mBank	118
Cheboygan	Citizens National Bank	110		State Savings Bank	20
Chelsea	Chelsea State Bank	102	Marquette	Wells Fargo Bank, Michigan	10,334
Coldwater	Century Bank and Trust	209	Mason	Mason State Bank	5,057
	Southern Michigan National Bank	144	Midland	Chemical Bank and Trust	4,633
Croswell	Eastern Michigan Bank	7	Monroe	Monroe Bank and Trust	2,090
Crystal Falls	First National Bank	68	Munising	Peoples State Bank of Munising	82
Detroit	JPMorgan Chase-Income Tax	0	Newberry	Tahquamenon Area Credit Union	15
	JPMorgan Chase-Main Acct.	2,124,283	Norway	First National Bank	5
	Comerica Bank - Detroit	11,303	Ontonagon	Citizens State Bank	14
	Comerica Bank - ACH Service	0	Port Austin	Port Austin State Bank	6
East Tawas	Huron Community Bank	58	St. Charles	Community State Bank	49
Escanaba	Northern Michigan National Bank	11	St. Ignace	First National Bank	29
	Upper Peninsula State Bank	63	Sault Ste. Marie	Central Savings Bank	83
Ewen	State Bank of Ewen	22		Soo Co-Op Credit Union	2
Flint	Citizens Banking Corporation	31,432	Shelby	Shelby State Bank	115
Gladstone	First Bank Upper Michigan	17	Stockbridge	SSBBank	3
Grand Rapids	Fifth Third Bank	1,928	Troy	Flagstar Bank	3,161
Hancock	Superior National Bank and Trust	175	Wakefield	First National Bank	96
Hillsdale	Hillsdale County National Bank	28	Zeeland	Huntington National Bank	10,871
Honor	The Honor State Bank	30			
Ionia	Independent Bank	238	Total		\$ 2,214,442
	First Bank, West Michigan	63			
Iron Mountain	First National Bank of Iron Mountain	36			
Ishpeming	Peninsula Bank	18			
Ithaca	Commercial National Bank	5			

(a) Deposits represent the account balance reported on bank statements and include deposits which are in the process of being collected through the banking system. Deposits are rounded to the nearest thousand and are secured by \$3,021,960,000 of collateral.

Bonds and Notes

The Michigan Constitution limits State general obligation debt to (1) short-term debt for State operating purposes, (2) short- and long-term debt for the purpose of making loans to school districts, and (3) long-term debt for voter-approved purposes.

Short-term debt for operating purposes is limited to an amount not in excess of 15 percent of undedicated revenues received during the preceding fiscal year (FY). Under the Michigan Constitution, as implemented by statutory provisions, such debt must be authorized by the State Administrative Board and issued only to meet obligations incurred pursuant to appropriation and must be repaid during the FY in which it was incurred. Such debt does not require voter approval.

The amount of debt incurred by the State for the purpose of making loans to school districts is recommended by the State Treasurer, who certifies the amounts necessary for loans to school districts semiannually. The bonds may be issued in whatever amount is required without voter approval. All other general obligation bonds issued by the State must be approved as to amount, purpose, and method of payment by a two-thirds vote of each house of the Legislature and by a majority vote of the public at a general election.

There is no limitation as to number or size of such general obligation issues.

General Obligation Debt

All current general obligation bond and note issues are presented in Table 6, *General Obligation Debt, Bond, and Note Payments*. During FY 2012, the State issued \$269.3 million in new debt to fund the School Bond Loan, Clean Michigan Initiative, and Great Lakes Water Quality Programs. The State also issued \$95.2 million to refund existing debt.

Special Authority Revenue Bond Debt

Certain governmental authorities issue revenue bonds for construction projects and to acquire or build facilities for the State or its institutions of higher learning. These bonds, as shown in Table 7, *Special Authority Revenue Bond Debt*, are obligations of the individual authorities and are not a general obligation of the State.

Special Revenue Debt

The State periodically issues long-term bonds for specific purposes, as presented in Table 10, *Special Revenue Debt, Bond, and Note Payments*. These issues are not supported by the State's general credit, and their financing comes strictly from the designated revenue sources.

Table 6



General Obligation Debt, Bond, and Note Payments (In Thousands of Dollars)

Item		Issue Date	Maturity Dates	New Issues	Refunded Principal	Principal Payments	Interest Payments	Outstanding Principal as of 9-30-12	
School Bond Loan ^(a)	Series 2001 (Refunding)	2001	2002-2016	\$-0-	\$-0-	\$11,400	\$3,186	\$52,220 *	
	Series 2002 (Refunding)	2002	2003-2015	-0-	-0-	-0-	3,724	68,690 *	
	Series 2008A (Refunding)	2008	2012-2023	-0-	-0-	9,360	6,138	116,035 *	
	Series 2009A	2009	2015-2020	-0-	-0-	-0-	6,840	103,725	
	Series 2009A (Refunding)	2009	2015-2020	-0-	-0-	-0-	6,617	100,355	
	Series 2009B (Refunding)	2009	2010-2030	-0-	-0-	32,692	3,418	73,618 *	
	Series 2010A (g)	2010	2012	-0-	60,000	-0-	1,200	-0-	
	Series 2010B (Refunding)	2010	2016-2020	-0-	-0-	-0-	1,623	43,460	
	Series 2010B	2010	2016-2020	-0-	-0-	-0-	1,507	40,365	
	Series 2011A	2011	2014-2023	-0-	-0-	-0-	5,488	150,000	
	Series 2011B	2011	2022	30,110	-0-	-0-	687	30,110	
	Series 2012A (Refunding)	2012	2013-2026	60,916	-0-	-0-	-0-	60,916	
	Series 2012A	2012	2013-2026	164,084	-0-	-0-	-0-	164,084	
	Environmental Protection ^(b)	Series 1989	1989	1994-2019	-0-	-0-	726	2,649	-0- *
		Series 1992	1992	2005-2012	-0-	-0-	21,246	5,925	17,290 *
Water Pollution 1992		1992	1994-2012	-0-	-0-	855	80	870	
Water Pollution 1993		1993	1995-2013	-0-	-0-	1,055	135	2,180	
Series 2001 (Refunding)		2001	2002-2016	-0-	-0-	3,100	2,709	47,700	
Series 2002 (Refunding)		2002	2004-2015	-0-	-0-	8,910	4,297	74,795	
Series 2003		2003	2007-2021	-0-	-0-	2,249	207	2,339 *	
Series 2005B (Refunding)		2005	2013-2016	-0-	-0-	-0-	2,295	45,895	
Series 2005B (Refunding)		2005	2019-2021	-0-	-0-	-0-	1,825	36,492	
Series 2005C (Refunding)		2005	2008-2013	-0-	-0-	348	62	1,266	
Series 2006A		2006	2014-2026	-0-	-0-	-0-	1,143	25,000	
Series 2008A (Refunding)		2008	2011-2019	-0-	-0-	2,475	4,086	56,199	
Series 2008B (Refunding)		2008	2011-2019	-0-	-0-	900	336	3,085	
Series 2008C (Refunding)		2008	2011-2012	-0-	-0-	2,995	150	-0-	
Series 2010A (Refunding)		2010	2012-2020	-0-	-0-	-0-	393	8,851	
Series 2010B (Refunding)	2010	2013-2015	-0-	-0-	-0-	1,045	39,672		
Recreation ^(c)	Series 2002 (Refunding)	2002	2005-2012	-0-	-0-	3,405	269	3,585	
	Series 2010B (Refunding)	2010	2013-2015	-0-	-0-	-0-	23	3,306	
Clean Michigan Initiative ^(d)	Series 2001	2001	2003-2019	-0-	-0-	6,945	174	-0- *	
	Series 2002 (Refunding)	2002	2004-2016	-0-	-0-	5,265	2,724	48,860	
	Series 2003	2003	2007-2021	-0-	-0-	9,586	882	9,971 *	
	Series 2005A	2005	2017-2021	-0-	-0-	-0-	3,247	64,935	
	Series 2005A (Refunding)	2005	2017-2018	-0-	-0-	-0-	1,092	21,835	
	Series 2005B (Refunding)	2005	2019-2021	-0-	-0-	-0-	22	443	
	Series 2005C (Refunding)	2005	2008-2013	-0-	-0-	992	177	3,604	
	Series 2006A	2006	2014-2026	-0-	-0-	-0-	3,657	80,000	
	Series 2008A	2008	2011-2019	-0-	-0-	1,430	682	12,210	
	Series 2008A (Refunding)	2008	2011-2019	-0-	-0-	5,025	4,701	114,101	
	Series 2008B	2008	2011-2019	-0-	-0-	728	317	6,071	
	Series 2008B (Refunding)	2008	2011-2019	-0-	-0-	1,100	28	3,770	
	Series 2008C (Refunding)	2008	2011-2012	-0-	-0-	4,310	215	-0-	
	Series 2009A	2009	2022-2026	-0-	-0-	-0-	2,620	46,355	
	Series 2009B	2009	2011	-0-	3,535	-0-	81	-0-	
	Series 2010A (Refunding)	2010	2012-2020	-0-	-0-	-0-	1,676	37,734	
	Series 2010B (Refunding)	2010	2013-2015	-0-	-0-	-0-	459	24,520	
Series 2010B	2010	2013-2015	-0-	-0-	-0-	224	10,063		
Series 2011A	2011	2021-2025	9,617	-0-	-0-	227	9,617		
Series 2011B	2011	2013-2020	5,619	-0-	-0-	103	5,619		
Series 2011B (Refunding)	2011	2013-2020	3,613	-0-	-0-	68	3,613		
Great Lakes Water Quality Bonds ^{(e) (f)}	SWQIF 2003	2003	2053	-0-	-0-	-0-	-0-	6,000	
	Series 2008B (SWQIF)	2008	2011-2019	-0-	-0-	243	106	2,024	
	Series 2009A (Refunding)	2009	2022-2026	-0-	-0-	-0-	1,005	17,780	
	Series 2009B (Refunding)	2009	2012	-0-	30,125	-0-	693	-0-	
	Series 2010B (Refunding)	2010	2013-2015	-0-	-0-	-0-	7	1,378	
	Series 2010B	2010	2013-2015	-0-	-0-	-0-	224	10,063	
	Series 2011A	2011	2021-2025	24,123	-0-	-0-	570	24,123	
	Series 2011A (Refunding)	2011	2021-2025	10,295	-0-	-0-	243	10,295	
	Series 2011B	2011	2013-2020	35,770	-0-	-0-	143	35,770	
	Series 2011B (Refunding)	2011	2013-2020	20,394	-0-	-0-	381	20,394	
Total General Obligation Debt				\$364,540	\$93,660	\$137,339	\$94,806	\$2,003,248	

- (a) P.A. 112 of 1961 as amended, provides that the State may borrow from time to time such amounts as shall be required for the purpose of making loans to school districts. Requirements are determined semiannually and general obligation debt is issued as needed.
- (b) P.A. 328 of 1988, provided for the issuance of \$660 million General Obligation Bonds, of which \$8.5 million remains.
- (c) P.A. 329 of 1988, provided for the issuance of \$140 million General Obligation bonds, all of which have been issued.
- (d) P.A. 284 of 1998 and P.A. 451 of 1994 as amended, provided for the issuance of \$675 million General Obligation bonds, of which \$80.4 million remains.
- (e) P.A. 396 of 2002 provided for the issuance of \$1.0 billion General Obligation Bonds,

- of which \$784.9 million remains.
- (f) On December 18, 2003, the State issued \$100 million in general obligation Great Lakes Water Quality Bonds pursuant to voter authorization which were placed with a State Authority. To date, the State has recognized \$10.0 million of this as a liability on the State of Michigan Comprehensive Annual Financial Report of which \$6.0 million remains outstanding.
- (g) In fiscal year 2012 \$305 thousand of the April interest payment for the Series 2010A was paid from escrow proceeds.
- * All or part of the principal amount not presented and not represented in the totals due to the advanced refunding of all or part of this obligation. The table on the following page summarizes the advanced refunding activity by type of bond.

Table 6

Concluded... (In Thousands of Dollars)

Series	Advanced Refunded From Series	Amount Refunded	FY 12 Paid From Escrow Principal	FY 12 Paid From Escrow Interest	FY 12 Escrow Balance
General Obligation Debt:					
Environmental Protection	2008A, 2010A	\$ 31,633	\$ -0-	\$ 1,242	\$ 28,122
Clean Michigan Initiative	2005A, 2008A, 2010A, 2011B	160,727	25,870	5,854	119,887
Great Lakes Water Quality	2011A&B	30,125	30,125	-0-	-0-
School Bond Loan	2012A	60,000	60,000	305	-0-
		<u>\$ 282,485</u>	<u>\$ 115,995</u>	<u>\$ 7,401</u>	<u>\$ 148,009</u>

Table 7

Special Authority Revenue Bond Debt ^(a) (In Thousands of Dollars)

Item	New Issues	Principal Payments	Interest Payments	Outstanding Principal as of 9-30-12
Mackinac Island State Park Commission	\$ -0-	\$ 50	\$ 82	\$ 1,835
Michigan State Housing Development Authority ^(b)	170,085	335,752	88,889	2,338,620
Michigan Finance Authority ^(c)	9,064,760	6,452,261	485,344	17,106,980 *
Michigan State Building Authority ^(d)	-0-	96,205	120,987	3,103,332 *
Total Special Authority Debt	<u>\$ 9,234,845</u>	<u>\$ 6,884,268</u>	<u>\$ 695,302</u>	<u>\$ 22,550,767</u>

* All or part of the principal amount not presented, and not represented in the totals due to the advance refunding of all or part of this obligation.

(a) Information in the table is provided by each Authority.

(b) The new issues include \$170.1 million of new bond issues plus \$809 thousand of capital appreciation for the year. Amounts are as of September 30, 2012.

(c) Balance does not include obligations that have been advanced refunded. The escrow principal liability as of September 30, 2012, was \$982.2 million. Executive Order 2010-2 consolidated 10 public finance authorities under the Michigan Finance Authority.

(d) Balance does not include obligations that have been advanced refunded. The escrow principal liability as of September 30, 2012, was \$324.7 million. Also, outstanding principal does not include commercial paper notes issued by the Authority. As of September 30, 2012, \$131.1 million of commercial paper notes was outstanding. Includes capital appreciation bonds reported with an ultimate maturity value of \$891.8 million. The accreted value as of September 30, 2012, is \$526.0 million.

Michigan Finance Authority Debt by Program	New Issues	Principal Payments	Interest Payments	Outstanding Principal as of 9-30-12
Health	\$ 785,080	\$ 600,176	\$ 184,043	\$ 5,449,070
Higher Education	127,310	144,634	11,396	600,834
Municipal	1,813,195	1,960,500	198,130	4,608,573
Public School Academies	94,940	64,050	14,551	292,535
Tobacco	-0-	4,560	60,763	1,097,985
Private K-12	4,100	N/A	N/A	94,635
Student Loan	-0-	355,341	13,277	1,668,888
Unemployment	6,240,135	3,323,000	3,184	3,294,460
Total Michigan Finance Authority Debt	<u>\$ 9,064,760</u>	<u>\$ 6,452,261</u>	<u>\$ 485,344</u>	<u>\$ 17,106,980</u>

Table 8

General Obligation Bond Payment Schedule (In Thousands of Dollars)

For Period Ended	Principal	Interest	Total ^(a)
September 30,			
2013	\$ 166,580	\$ 88,048	\$ 254,628
2014	220,206	80,459	300,665
2015	191,848	73,187	265,035
2016	201,087	64,441	265,528
2017	186,176	57,855	244,032
2018	167,428	48,570	215,998
2019	172,093	40,214	212,308
2020	141,339	31,814	173,152
2021	148,480	24,603	173,083
2022	122,574	18,781	141,355
2023	115,843	12,074	127,916
2024	53,195	8,221	61,416
2025	53,945	5,060	59,005
2026	53,602	2,789	56,391
2027	346	1,154	1,500
2028	316	1,184	1,500
2029	252	1,048	1,300
2030	1,939	8,926	10,865
2031	-0-	-0-	-0-
Thereafter ^(b)	6,000	-0-	6,000
Total	\$ 2,003,248	\$ 568,429	\$ 2,571,677

(a) May not add to total due to rounding.

(b) On December 18, 2003, the State issued \$100 million in general obligation Great Lakes Water Quality Bonds pursuant to voter authorization which were placed with a State Authority. To date, the State has recognized \$10.0 million of this as a liability on the State of Michigan Comprehensive Annual Financial Report of which \$6.0 million remains outstanding.

Table 9

Bonds and Notes Payable by Fiscal Year (In Thousands of Dollars)

Item	Outstanding on September 30,				
	2008	2009	2010	2011	2012
GENERAL OBLIGATION DEBT					
School Bond Loan	\$ 502,690	\$ 655,480	\$ 671,228	\$ 61,920	\$ 1,003,578 *
Environmental Protection	437,786	419,426	408,260	406,494	361,634 *
Recreation	16,270	13,310	10,220	10,296	6,891
Clean Michigan Initiative	464,160	513,915	513,775	523,386	503,319 *
Great Lakes Water Quality Bonds	56,349	57,604	57,604	67,611	127,826
Total General Obligation Debt	\$ 1,477,255	\$ 1,659,735	\$ 1,661,087	\$ 1,869,707	\$ 2,003,248
NON-GENERAL OBLIGATION DEBT					
Michigan Department of Transportation Tax Dedicated Bonds	\$ 1,771,780	\$ 1,710,969	\$ 1,612,146	\$ 1,511,685	\$ 1,484,405 ^{*(c)}
MDOT Grant Anticipation Bonds	485,115	763,520	756,495	749,155	741,455
Michigan Department of Natural Resources State Park Revenue Bonds	12,820	12,210	11,570	10,900	10,200
Special Authorities-Revenue Bonds and Notes: ^(a)					
Mackinac Island State Park Commission	1,070	780	1,930	1,885	1,835
Michigan State Housing Development Authority	2,396,971	2,337,938	2,526,246	2,474,150	2,338,620
Michigan State Hospital Finance Authority	5,282,669	5,599,964	(b)	(b)	(b) *
Michigan Higher Education Facilities Authority	618,282	602,723	(b)	(b)	(b) *
Michigan Higher Education Student Loan Authority	2,277,874	2,219,084	(b)	(b)	(b)
Michigan Municipal Bond Authority	4,346,874	4,775,482	(b)	(b)	(b)
Michigan State Building Authority	3,375,070	2,968,710	3,008,024	3,175,339	3,103,332 *
Michigan Public Education Facilities Authority	127,835	156,003	(b)	(b)	(b)
Michigan Tobacco Settlement Finance Authority	1,080,115	1,071,162	(b)	(b)	(b)
Michigan Finance Authority ^(b)	-	-	14,885,199	14,048,108	17,106,980 *
Total Non-General Obligation Debt	\$ 21,776,475	\$ 22,218,545	\$ 22,801,610	\$ 21,971,222	\$ 24,786,827

* All or part of the principal amount not presented, and not represented in the totals due to the advance refunding of all or part of this obligation.

(a) Does not include the activity of the Michigan Strategic Fund.

(b) Executive Order 2010-2 consolidated 10 public finance authorities under the Michigan Finance Authority: Michigan Municipal Bond Authority; Michigan State Hospital Finance Authority; Michigan Higher Education Facilities Authority; Michigan Higher Education Assistance Authority; Michigan Higher Education Student Loan Authority; Michigan Public Educational Facilities Authority; Michigan Tobacco Settlement Finance Authority; Michigan Underground Storage Tank Financial Assurance Authority; Michigan State Higher Education Facilities Commission; Michigan Forest Finance Authority.

(c) Table 9 MDOT Tax Dedicated Bonds Outstanding on September 30, 2008 through 2012 include accumulated accretion.

Table 10



Special Revenue Debt, Bond, and Note Payments (In Thousands of Dollars)

Item	Issue Date	Maturity Dates	Amount Issued	Refunded Principal	Principal Payments	Interest Payments	Outstanding Principal as of 9-30-12
Michigan Department of Transportation Tax Dedicated Bonds Michigan Comprehensive Transportation							
RF. SR. 2001-A	2001	2021	\$ 27,765	\$ 20,770	\$ 1,525	\$ 591	\$ -0-
Series 2002-B	2002	2022	82,310	-0-	3,950	207	-0- *
Series 2003	2003	2023	35,020	-0-	1,570	567	12,325 *
Series 2005	2005	2023	62,180	-0-	-0-	3,264	62,175
Series 2006	2006	2024	53,685	-0-	5,265	2,371	46,110
Series 2009	2009	2019	42,335	-0-	1,710	1,899	40,625
RF. Series 2011	2011	2021	18,470	-0-	-0-	448	18,470
State Trunkline Fund							
Series 1992-A	1992	2021	253,618	-0-	3,649	8,446	3,428* ^{(1)(a)}
RF. SR. 1992-B I & II	1992	2021	99,592	-0-	483	1,117	453* ^{(1)(b)}
RF. SR. 1998-A	1998	2026	377,890	-0-	12,120	10,147	182,725
Series 2001-A	2001	2030	308,200	-0-	7,250	199	-0- *
RF. SR. 2002	2002	2021	97,870	56,235	1,580	2,963	-0- *
RF. SR. 2004	2004	2021	103,450	-0-	50	5,054	98,210
Series 2004	2004	2019	185,710	-0-	14,120	2,473	35,605 *
RF. SR. 2005	2005	2022	223,020	-0-	-0-	11,690	223,015
RF. SR. 2005B	2005	2019	378,250	-0-	33,265	15,009	283,135
Series 2006	2006	2022	244,525	-0-	13,760	9,470	181,840
RF. SR 2009	2009	2028	146,190	-0-	-0-	7,299	146,190
Series 2011	2011	2036	90,980	-0-	-0-	1,730	90,980
RF. Series 2012	2012	2021	49,305	-0-	-0-	-0-	49,305
MDOT Grant Anticipation Bonds							
Series 2007	2007	2027	485,115	-0-	7,695	24,171	459,550
Series 2009	2009	2027	281,910	-0-	5	21,495	281,905
Michigan Department of Natural Resources State Park Revenue Bonds							
Series 2002	2002	2022	15,500	-0-	700	436	10,200
Total Special Revenue Debt				\$ 77,005	\$ 108,697	\$ 131,048	\$ 2,226,246

* All or part of the principal amount not presented and not represented in the totals due to the advance refunding of all or part of this obligation. The table below summarizes the advance refunding activity by type of bond.

Series	Advanced Refunded from Series	Amount Refunded	FY12 Paid from Escrow Principal	FY 12 Escrow Interest	FY 12 Escrow Balance
Special Revenue Debt:					
Comprehensive Transportation	2005, 2011	\$ 85,870	\$ 73,710	\$ 3,340	\$ 9,870
Trunkline Transportation	2004, 2005, 2012	387,295	245,830	10,769	142,931
		\$ 473,165	\$ 319,540	\$ 14,109	\$ 152,801

(1) State Treasurer's Annual Report Table 9 Michigan Department of Transportation Tax Dedicated Bonds Outstanding on September 30, 2012 include:

(a) State Trunkline Fund, Series 1992-A: principal of \$3,428 and accumulated accretion of \$8,667 totaling \$12,095 (\$ in thousands).

(b) State Trunkline Fund, Series 1992B I&II: principal of \$453 and accumulated accretion of \$1,147 totaling \$1,600 (\$ in thousands).

State Tax Collections

State taxes and fees totaling \$21,661,988 (in thousands) were collected during fiscal year 2012, which is a decrease of .36% from the previous fiscal year.

Major tax collections for fiscal year 2012 and the previous four

years are detailed in Table 11, Treasury Administered Taxes and Fees Collected on a Cash Basis, below.

Table 12, Michigan State Taxes, identifies all Michigan taxes and gives administrative information about each.

Table 11

Treasury Administered Taxes and Fees Collected on a Cash Basis

(In Thousands of Dollars)

Type of Revenue	10-1-07 to 9-30-08	10-1-08 to 9-30-09	10-1-09 to 9-30-10	10-1-10 to 9-30-11	10-1-11 to 9-30-12
Income Tax:					
Withholding Tax	\$ 7,278,212	\$ 6,880,731	\$ 6,782,194	\$ 7,140,486	\$ 7,632,437
Individual Income Tax	870,103	650,542	557,733	710,669	693,034
Individual Income Tax Estimates	851,829	611,186	552,638	629,294	748,278
Individual Income Tax Penalty and Interest	30,067	31,061	31,682	32,160	31,376
Gross Individual Income Tax Collections	9,030,211	8,173,520	7,924,247	8,512,610	9,105,126
Tax Refunds and Tax Credits	(1,764,675)	(2,102,006)	(2,369,460)	(2,185,609)	(2,171,274)
Net Individual Income Tax	\$ 7,265,536	\$ 6,071,514	\$ 5,554,788	\$ 6,327,001	\$ 6,933,852
Single Business Tax ^(a)	1,276,096	160,165	98,511	63,550	38,329
Single Business Tax Penalty and Interest	58,095	49,084	31,091	30,544	12,638
Gross Single Business Tax	1,334,191	209,249	129,602	94,094	50,968
Tax Refunds	(336,622)	(257,628)	(\$93,803)	(\$33,289)	(38,860)
Net Single Business Tax	\$ 997,569	\$ (48,379)	\$ 35,800	\$ 60,805	\$ 12,108
Michigan Business Tax ^(a)	1,415,188	2,679,375	2,310,295	2,453,576	1,644,573
Michigan Business Tax Penalty and Interest	-0-	1,775	14,972	37,968	69,193
Gross Michigan Business Tax	1,415,188	2,681,149	2,325,266	2,491,544	1,713,766
Tax Refunds	-0-	(78,632)	(257,310)	(358,115)	(457,919)
Net Michigan Business Tax	\$ 1,415,188	\$ 2,602,517	\$ 2,067,956	\$ 2,133,429	\$ 1,255,847
Corporate Income Tax ^(f)	-0-	-0-	-0-	-0-	399,795
Corporate Income Tax Penalty and Interest	-0-	-0-	-0-	-0-	27
Gross Corporate Income Tax	-0-	-0-	-0-	-0-	399,822
Tax Refunds	-0-	-0-	-0-	-0-	-0-
New Corporate Business Tax	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ 399,822
Airport Parking Tax	22,776	20,053	19,591	20,185	20,585
Airport Parking Tax Penalty and Interest	4	-0-	-0-	-0-	-0-
Cigarette - Tobacco Products Tax	1,026,775	984,028	947,511	913,760	904,517
Cigarette - Tobacco Products Tax Penalty and Interest	1,066	816	566	386	376
Commercial Mobile Radio Service Tax	20,989	27,619	27,756	27,825	28,039
Convention Facility Tax	19,246	15,683	15,286	17,202	18,578
Convention Facility Tax Penalty and Interest	105	89	30	36	55
Environmental Protection Regulatory Fee	53,466	51,150	51,323	51,123	51,006
Estate Tax ^(b)	491	(153)	178	43	237
Flow Through Withholding Tax ^(f)	-0-	-0-	-0-	-0-	35,982
Gas and Oil Privilege Fee	13,126	7,333	3,108	6,780	10,843
Gas and Oil Severance Tax	101,232	55,036	58,277	62,063	53,785
Health Insurance Claims Assessment Tax ^(g)	-0-	-0-	-0-	-0-	112,360
Industrial/Commercial Facilities Tax	123,825	55,949	55,353	43,866	37,160
Inheritance Tax ^(c)	39	93	(161)	13	8
Insurance - Retaliatory Tax	223,840	262,949	262,132	272,701	293,555
Intangibles Tax ^(d)	40	2	1	9	-0-
Motor Fuel Taxes	1,004,015	957,202	971,498	960,852	955,283
Non-Cigarette - Tobacco Products Tax	49,488	54,035	60,948	58,175	65,771
Real Estate Transfer Tax	181,143	125,027	127,143	118,232	143,851
Sales Tax	6,803,764	6,124,969	6,170,199	6,688,593	6,922,040
Sales, Use, and Withholding Penalty and Interest	48,333	53,551	60,566	41,262	42,178
State Education Tax	2,039,847	2,145,886	1,992,451	1,956,753	1,780,635
State Housing Development Service Fee	9,690	10,395	10,627	12,453	9,855
Use Tax	1,390,494	1,292,912	1,579,529	1,621,056	1,355,875
Utility Property Tax	85,436	73,289	61,978	59,932	61,507
Other Taxes and Fees ^(e)	128,658	125,778	127,151	129,767	166,862
TOTAL	\$ 23,026,181	\$ 21,069,342	\$ 20,261,583	\$ 21,584,303	\$ 21,661,988

(a) Public Act 325 of 2006 repealed the Single Business Tax, effective December 31, 2007. It was replaced by the Michigan Business Tax, enacted in Public Act 36 of 2007, effective January 1, 2008. Repealed and replaced by Corporate Income Tax in 2012 per P.A. 39 of 2011.

(b) Public Act 54 of 1993 replaced the Inheritance Tax for dates of death after September 30, 1993 with the Estate Tax.

(c) Public Act 54 of 1993 replaced the Inheritance Tax for dates of death after September 30, 1993 with the Estate Tax.

(d) Public Act 5 of 1995 repealed Public Act 301 of 1939 regarding collection of Intangible Taxes.

(e) Includes Court Fines, Fees & Assessments, Driver Responsibility Fees, Trailer Coach Parks Specific Tax, Commercial Forest Tax and Low Grade Iron Ore Specific Tax.

(f) New in 2012, per Public Act 15 of 2013.

(g) New in 2012, per Public Act 142 of 2011.

Table 12



Michigan State Taxes (In Thousands of Dollars)

Tax Source	Year Adopted	Department Administered by	Payment Deadline	Net Cash Receipts 10-1-11 to 9-30-12	Disposition
Aircraft Registration	1923	Transportation	August 1	368	State Aeronautics Fund
Airport Parking	1987	Treasury	15th of each month	20,585	State Aeronautics Fund; Specific Local Units
Aviation Fuel	1929	Treasury	20th of each month	5,015	State Aeronautics Fund
Beer and Wine Excise	1933	Licensing and Regulatory Affairs	Monthly reports and/or stamps	51,062	General Fund
Casino Wagering	1999	Education	Daily	115,020	School Aid Fund, General Fund
Cigarette Tobacco Products	1947	Treasury	20th of each month	904,517	41.6% to School Aid Fund, 19.8% to General Fund, 3.8% to Healthy Michigan Fund, 34.8% to Local Units
Commercial Mobile Radio Service	1999	Treasury	Last day of Feb., Apr., July, and Oct.	28,039	Commercial Radio Suppliers and Counties, Public Safety Answering Points
Convention Facility Development	1985	Treasury	15th of each month	18,578	Debt Service for Cobo Hall; Counties
Corporate Income Tax	2012	Treasury	15th of Apr., July, Oct., and January	399,795	General Fund with 23.278% to School Aid Fund
Corporate Organization	1891	Licensing and Regulatory Affairs	At time of incorporation, admission or increase in stock	21,663	General Fund
Diesel Fuel	1947	Treasury	20th of each month	106,271	Michigan Transportation Fund
Environmental Protection Regulatory	1989	Treasury	10th and 25th of each month	51,006	General Fund
Estate	1994	Treasury	Nine months following date of death	237	General Fund
Flow Through Withholding	2012	Treasury	15th of Apr., July, Oct., and January	35,982	General Fund with 23.278% to School Aid Fund
Gas and Oil Privilege Fee	1973	Treasury	25th of each month	10,843	General Fund
Gas and Oil Severance	1929	Treasury	25th of each month	53,785	General Fund
Gasoline	1925	Treasury	20th of each month	822,675	Michigan Transportation Fund
Health Insurance Claims Assessment Tax	2012	Treasury	30th of Apr., July, Oct., and January	112,360	Health Insurance Claims Assessment Fund
Horse Race Wagering	1933	Agriculture	At end of each day's racing	4,959	Agriculture Equine Industry Development Fund
Individual Income	1967	Treasury	April 15	6,902,475	General Fund with 23.278% to School Aid Fund
Industrial/Commercial Facilities	1974	Treasury	December 1	37,160	Local Units and School Aid Fund
Inheritance	1899	Treasury	Within 105 days after death, except contingent transfers-due at vesting	8	General Fund
Insurance Company Retaliatory Intangibles	1987	Treasury	Last day of Apr., July, Oct., and January	293,555	General Fund
	1939	Treasury	April 30, or last day of 4th month after end of taxpayer's tax year	0	General Fund
Liquified Petroleum Gas	1953	Treasury	20th of each month	338	Michigan Transportation Fund
Liquor Excise - 4%	1957	Licensing and Regulatory Affairs	At the time of sale to retail licensees	41,266	School Aid Fund
Liquor Specific - 4%	1959	Licensing and Regulatory Affairs	At the time of sale to retail licensees	41,814	General Fund
Liquor Specific - 1.85%	1972	Licensing and Regulatory Affairs	At the time of sale to retail licensees	15,737	Liquor Purchase Revolving Fund
Liquor - 4% -- Tourism and Convention Facility	1985	Licensing and Regulatory Affairs	At the time of sale to retail licensees	41,305	Debt Service for Cobo Hall; Counties
Marine Fuel	1947	Treasury	20th of each month	214	Michigan State Waterways Fund
Michigan Business	2007	Treasury	15th of Apr., July, Oct., and January	1,186,653	School Aid Fund and General Fund
Motor Carrier Diesel Fuel	1980	Treasury	Last day of month following close of qtr.	20,715	Michigan Transportation Fund
Motor Carrier's Privilege	1923	Licensing and Regulatory Affairs	December 1	4,757	Truck Driver Safety Fund and Motor Carrier Fees
Motor Vehicle Weight or Value	1905	State	Owner's birthday	879,168	Michigan Transportation Fund
Non-Cigarette Tobacco Products	1994	Treasury	20th of each month	65,771	75% to Local Units, 25% to General Fund
Real Estate Transfer	1994	Treasury	County Treasurer remits to State on the 15th in the month after receipt	143,851	School Aid Fund
Sales	1933	Treasury	15th and last day of each month for accelerated filers. 20th day of the month for non-accelerated filers.	6,922,040	72.8% to School Aid Fund, 9.9% to General Fund, 1.2% to Comprehensive Transportation Fund, 15.9% to Local Units, 0.1% to Healthy Initiative Fund, 0.1% to Enhanced Enforcement
Single Business	1975	Treasury	April 30, or last day of 4th month after end of taxpayer's tax year	8,343	General Fund
State Education	1994	Treasury	County Treasurer remits to State the month after receipt from Local Units	1,780,635	School Aid Fund
Snowmobile Registration	1968	State	October 1 (every 3rd year)	217	Michigan Conservation and Recreation Legacy Fund
Use	1937	Treasury	15th of each month	1,355,875	66.6% to General Fund, 33.4% to School Aid Fund
Utility Property	1905	Treasury	July 1 or 1/2 on Aug. 1, 1/2 on Dec. 1	61,507	General Fund
Watercraft Registration	1967	State	January 1 (every 3rd year)	801	Michigan Conservation and Recreation Legacy Fund

Local Property Taxes

Local property taxes in Michigan are levied by local units of government - school districts, cities, counties, townships and villages. Each of Michigan's 83 counties then "equalizes" the local assessments.

Equalization ensures that similar properties in different areas are assessed equitably. Following county equalization, the State Tax Commission equalizes among counties.

Table 13 shows state, county and local equalized valuations for calendar year 2011 and the prior decade. This table also lists the total Taxable Valuation and the average tax rate (millage) for each year. Table 14 shows how property tax dollars are apportioned among the various taxing units.

Michigan taxpayers' local property tax burden is lessened substantially by an income tax credit for property taxes paid.

Table 13

Local Property Tax Valuation, Levies, and Average Rates (In Millions of Dollars)

Calendar Year	Local Assessed Valuation	County Equalized Valuation	State Equalized Valuation	Taxable Valuation ^(a)	Total Taxes Levied	Average Rate (Mills) ^(b)	Homestead Average Rate ^(c)	Non-Homestead Average Rate
2011	362,765	362,775	362,775	323,616	12,946	40.00	33.68	50.97
2010	385,115	385,050	385,050	336,845	13,374	39.70	33.13	50.40
2009	423,892	423,901	423,901	360,567	14,110	39.13	32.86	51.09
2008	448,112	448,140	448,140	363,225	14,144	38.94	33.14	50.94
2007	453,058	453,109	453,109	357,298	14,254	39.89	32.72	51.49
2006	436,294	436,422	436,421	340,334	13,598	39.96	32.66	51.38
2005	415,776	415,796	415,796	321,653	12,827	39.88	32.60	51.38
2004	392,562	392,621	392,622	304,716	12,190	40.00	32.71	50.81
2003	369,404	369,525	369,525	288,957	11,269	39.00	31.81	49.74
2002	343,577	343,715	343,715	274,652	11,033	40.17	32.60	51.00
2001	312,429	312,519	312,896	257,712	10,251	39.78	32.12	50.72

(a) Beginning in 1994, property taxes have been levied against Taxable Value, not State Equalized Value.

(b) This is the Average Rate based on all classes of property. In 2003 only, the State Education Tax rate was 5.0, lowering average rates by 1.0 mill.

(c) Homesteads include those properties which received the homeowner's "principal residence exemption" and those which received the "qualified agricultural property" exemption. Qualified forest and industrial personal property are also included in this group as they receive a similar exemption.

Table 14

Distribution of Local Property Taxes (In Thousands of Dollars)

Taxing Unit	Taxes Levied		Percent of Increase
	2010	2011	
City	\$ 2,411,518	\$ 2,295,536	-4.81%
County	2,093,777	2,124,934	1.49%
Township	930,679	850,397	-8.63%
Village	88,124	87,390	-0.83%
School	5,897,177	5,713,864	-3.11%
State Education Tax ^(a)	1,952,528	1,873,494	-4.05%
Totals	\$ 13,373,803 ^(b)	\$ 12,945,615 ^(c)	

(a) For 2003 only, the State Education Tax rate was lowered from 6.0 mills to 5.0 mills.

(b) \$912.5 million of the total property taxes levied in 2010 was refunded to taxpayers through the "circuit breaker" system of property tax credits against State income tax due or as a reimbursement if they exceed the income tax.

(c) \$858.4 million of the total property taxes levied in 2011 was refunded to taxpayers through the "circuit breaker" system of property tax credits against State income tax due or as a reimbursement if they exceed the income tax.

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