

ANNUAL REPORT

of the
Michigan State Treasurer



2016-2017

Rick Snyder, Governor | Nick A. Khouri, Treasurer

Table of Contents

State Treasurer's Letter of Transmittal	1
---	---

Cash and Investments

Schedule 1	State Treasurer's Common Cash - Assets and Equities	2
Schedule 2	Investment Portfolios of Specific Funds	3
Schedule 3	Investment Revenues	4
	Notes to Financial Schedules	6
	Cash and Investments	8
Table 1	Investment Revenues for Fiscal Years	8
Table 2	Available Month-End Common Cash	9
Table 3	Common Cash History	9
Table 4	State Treasurer's Common Cash Fund, Cash Balances, and Transactions by Fund	10
Table 5	Demand Depositories as of September 30, 2017	13

Bonds, Notes, and Taxes

	Bonds and Notes	14
Table 6	General Obligation Debt, Bond, and Note Payments	15
Table 7	Special Authority Revenue Bond Debt	16
Table 8	General Obligation Bond Payment Schedule	17
Table 9	Bonds and Notes Payable by Fiscal Year	17
Table 10	Special Revenue Debt, Bond, and Note Payments	18
	State Tax Collections	19
Table 11	Treasury Administered Taxes and Fees Collected on a Cash Basis	19
Table 12	Michigan State Taxes	20
	Local Property Taxes	21
Table 13	Local Property Tax Valuation, Levies, and Average Rates	21
Table 14	Distribution of Local Property Taxes	21

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

NICK A. KHOURI
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) 2016-2017. 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 2017.

Sincerely,

A handwritten signature in black ink, appearing to read "N.A. Khouri", with a long horizontal flourish extending to the right.

N.A. Khouri
State Treasurer

Schedule 1



State Treasurer's Common Cash - Assets and Equities (In Thousands of Dollars)

	Fiscal Year Ended September 30	
	<u>2017</u>	<u>2016</u>
<u>Assets</u>		
Demand Deposits	\$ 1,817,416	\$ 1,384,013
Prime Commercial Paper - At Cost	4,153,275	3,942,681
Emergency Municipal Loans	290,816	294,363
Total	<u>\$ 6,261,507</u>	<u>\$ 5,621,057</u>
 <u>Equities</u>		
Available Equity of Other Funds	\$ 6,127,044	\$ 5,471,491
Outstanding Warrants	134,463	149,566
Total	<u>\$ 6,261,507</u>	<u>\$ 5,621,057</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 Infrastructure	Private Equity	Absolute Return	International Equities	FY Ended Sept. 30	
								2017 Total	2016 Total
Legislative Retirement	\$2,712	-0-	136,256	-0-	17,327	-0-	-0-	156,295	\$153,387
State Police Retirement	67,645	188,983	379,487	148,440	239,941	228,968	279,855	1,533,319	1,387,566
State Employees' Retirement	632,417	1,689,968	3,393,302	1,328,348	2,143,293	2,047,797	2,502,388	13,737,513	12,452,559
Public School Employees' Retirement	2,700,089	6,428,571	12,911,267	5,051,231	8,164,279	7,790,609	9,518,920	52,564,966	48,074,921
Judges' Retirement	10,769	32,876	66,011	25,814	41,749	39,808	48,674	265,701	255,770
Military Pension Fund	197	546	1,135	419	705	632	824	4,458	-0-
Michigan Veterans' Trust	2,831	21,307	20,993	-0-	13,317	-0-	-0-	58,448	55,412
Game & Fish Lifetime License Trust	14,641	2,763	-0-	-0-	-0-	-0-	-0-	17,404	16,857
Game & Fish Protection Trust	2,375	92,621	77,230	-0-	65,562	-0-	-0-	237,788	236,830
Michigan Natural Resources Trust	28,824	297,146	235,541	-0-	168,403	-0-	-0-	729,914	712,599
Michigan State Parks Endowment	17,691	122,348	96,626	-0-	67,203	-0-	-0-	303,868	280,351
Children's Trust	2,134	10,806	7,256	-0-	7,273	-0-	-0-	27,469	26,793
Michigan Nongame Fish and Wildlife Trust	1,440	5,285	1,531	-0-	-0-	-0-	-0-	8,256	8,059
State Lottery	4,044	191,855	-0-	-0-	-0-	-0-	-0-	195,899	217,745
Michigan Education Trust	72,969	290,099	407,338	-0-	273,124	-0-	-0-	1,043,530	983,942
Mackinac Bridge Authority	8,911	81,883	-0-	-0-	-0-	-0-	-0-	90,794	80,915
Gift, Bequests and Deposits Investment	20,149	20,097	300	-0-	1,302	-0-	-0-	41,848	43,130
Totals	\$3,589,838	\$9,477,154	\$17,734,273	\$6,554,252	\$11,203,478	\$10,107,814	\$12,350,661	\$71,017,470	\$64,986,836

Schedule 3



Investment Revenues (In Thousands of Dollars)

Fund	Common Cash	Specific Funds	Total Revenues Fiscal Year Ended September 30	
			2017	2016
General	\$161	\$0	\$161	\$1,124
Game and Fish Lifetime License Trust	51	51	102	126
State Aeronautics	61	-0-	61	7
Michigan Veterans' Benefit Trust	15	4,644	4,658	4,338
State Trunkline	5,044	-0-	5,044	2,259
Michigan State Waterways	213	-0-	213	81
Blue Water Bridge	508	-0-	508	208
Michigan Transportation	1,528	-0-	1,528	467
Comprehensive Transportation	543	-0-	543	169
School Aid	1,329	-0-	1,329	618
MI Game and Fish Protection Trust	117	19,333	19,450	20,388
State Park Improvement	274	-0-	274	93
Forest Development	207	-0-	207	80
Michigan Natural Resources Trust	271	52,550	52,821	56,734
Michigan State Parks Endowment	153	22,113	22,266	22,074
Safety Education and Training	38	-0-	38	10
Bottle Deposits	314	-0-	314	126
State Construction Code	66	-0-	66	17
Children's Trust	15	1,702	1,718	2,020
Homeowner Construction Lien Recovery	2	-0-	2	1
Michigan Nongame Fish and Wildlife	18	278	296	385
21st Century Jobs Trust	2,852	-0-	2,852	1,117
Michigan Merit Award Trust	416	-0-	416	181
State Trunkline Bond Proceeds	462	-0-	462	110
Comprehensive Transportation Bond Proceeds	54	-0-	54	28
Outdoor Recreation Legacy	18	-0-	18	6
Off-Road Vehicle	83	-0-	83	31
Snowmobile	94	-0-	94	32
Community District Education Trust	(296)	-0-	(296)	
Unemployment Obligation Trust	140	-0-	140	60
Liquor Purchasing Revolving	1,044	-0-	1,044	402
State Lottery	585	(2,699)	(2,114)	13,801

Schedule 3



Continued. . . (In Thousands of Dollars)

Fund	Common Cash	Specific Funds	Total Revenues Fiscal Year Ended September 30	
			2017	2016
Michigan Strategic	494	-0-	494	214
Michigan State Housing Development	36	-0-	36	14
Land Bank Fast Track	86	-0-	86	31
Jobs For Michigan Investment	1,179	-0-	1,179	414
State Sponsored Group Insurance	2,653	-0-	2,653	990
State Water Pollution Control Loan	17	-0-	17	7
School Loan Revolving	9,179	-0-	9,179	3,299
Combined State Trunkline Bond and Interest Redemption	(1)	-0-	(1)	13
Combined Comprehensive Transportation Bond and Interest Redemption	-0-	-0-	-0-	(1)
Recreation & Environmental Protection Bond	8	-0-	8	3
Legislative Retirement	17	19,085	19,102	13,679
State Police Retirement	10	187,327	187,337	102,769
State Employees' Retirement	(10)	1,682,259	1,682,249	924,720
Public School Employees' Retirement	526	6,378,538	6,379,065	3,541,618
Judges' Retirement	6	33,382	33,388	19,342
Military Retirement Pension Fund	30	30	60	11
Michigan Employment Security Act Contingent	1,375	-0-	1,375	452
Military Family Relief	18	-0-	18	8
Intrastate Switched Toll Restruct.	33	-0-	33	3
Children's Institute	1	-0-	1	
Gifts, Bequests, and Deposits Investment	224	(8)	216	906
Silicosis, Dust Disease, and Logging Industry Compensation	9	-0-	9	4
Second Injury	66	-0-	66	32
Hospital Patients' Trust	1	-0-	1	
Self-Insurers' Security	245	-0-	245	106
State Employees' Deferred Compensation I (457)	4	-0-	4	-0-
State Employees' Deferred Compensation II (401 (k))	3	-0-	3	1
State of Michigan MPSERS DC 457	26	-0-	26	10
State Employees' Defined Contribution Plan	3	-0-	3	-0-
Environmental Quality Deposits	21	-0-	21	9
Utility Consumer Representation	13	-0-	13	5
Transportation Related Trust	(93)	-0-	(93)	(40)
MPSERS DC 401K	7	-0-	7	2
City Income Tax	63	-0-	63	
Mackinac Bridge Authority	-0-	(23)	(23)	2,282
Michigan Education Trust	-0-	102,051	102,051	88,630
TOTALS	32,629	8,500,612	8,533,241	4,826,628

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, 2017 and 2016, future contracts represent less than 0.1 percent of the fixed income investment category and less than 0.1 percent of the total pension trust funds.
- *Domestic Equity Investments (Derivatives - Option Contracts):* Option Contracts are investments on single securities to provide downside protection and enhance current income. On September 30, 2017 and 2016, option contracts represent 0.5 percent and less than 0.1 percent of the domestic equity investment category of the pension trust funds, respectively.
- *International Equity Investments (Derivatives - Swaps):* International equity investments swap agreements are investments tied to stock market indices in approximately 46 foreign countries and are the core of the international equity market investment strategy. On September 30, 2017 and 2016, the swap agreements represented 17.6 percent and 11.5 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, 2017 and 2016, these swap agreements represent 0.01 percent and 0.03 percent of the domestic equity investment category, respectively.

The swap contractual agreements are made with large global banks and brokerage firms. On September 30, 2017 and 2016, they represent 3.2 percent and 1.8 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 \$4.5 million 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, 2017 and 2016, was \$4,156.8 and \$3,943.8 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. 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 100 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, 2017 and 2016, the State had no outstanding credit risk on the securities lent. The market value of the securities lent at September 30, 2017 and 2016, was \$4,239.0 and \$4,248.4 million, respectively. The amortized cost of the securities lending cash collateral pool at September 30, 2017 and 2016, was \$4,309.7 and \$4,319.2 million respectively. The market value of securities lending cash collateral pool at September 30, 2017 and 2016, was \$4,312.1 and \$4,325.1 million respectively.

NOTE 2: CHANGE IN REPORTING OF FUNDS

Effective for FY ended September 30, 2017:

Funds added to Schedule 2: Military Retirement Pension

Funds added to Schedule 3: Community District Education Trust, Children's Institute, Hospital Patients' Trust, and City Income Tax

Funds removed from Schedule 3: Michigan Settlement Administration Auth

Effective for FY ended September 30, 2016:

Funds added to Schedule 3: Homeowner Construction Lien Recovery; Military Retirement; and MPSERS DC 401K.

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.

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	Military Retirement	Other Investment Funds	Totals
2017	\$ 161	\$ 6,379,065	\$ 1,682,249	\$ 187,337	\$ 33,388	\$ 60	\$ 250,981	\$ 8,533,241
2016	1,124	3,541,618	924,720	102,769	19,342	NA	237,055	4,826,628
2015	620	1,127,098	286,039	31,483	6,641	NA	39,382	1,491,263
2014	530	6,682,047	1,679,814	186,612	38,064	NA	206,705	8,793,772
2013	239	5,159,840	1,265,073	142,161	31,685	NA	147,249	6,746,245
2012	(1,297)	5,735,829	1,379,714	155,136	35,594	NA	281,462	7,586,438
2011	(722)	1,594,584	404,603	45,826	10,786	NA	64,950	2,120,027
2010	(3,758)	3,846,693	927,685	104,319	22,723	NA	176,040	5,073,702
2009	(3,076)	(2,591,269)	(652,076)	(74,793)	(20,709)	NA	129,566	(3,212,357)
2008	\$ (17,012)	\$(7,360,810)	\$(1,819,798)	\$(200,062)	\$(47,948)	\$ NA	\$ 9,025	\$(9,436,605)

(a) See the table below for the annual total of earnings and distributions resulting in General Fund Common Cash Earnings (Expenses).

Fiscal Year Ending	Total State Treasurer's Common Cash Fund Earnings	Distribution of Earnings to Retirement and Other Funds Reported in Their Earnings	General Fund Common Cash Earnings (Expenses)
2017	\$ 32,629	\$ 32,468	\$ 161
2016	13,734	12,610	1,124
2015	4,142	3,522	620
2014	3,119	2,589	530
2013	3,660	3,421	239
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)

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 2016	2,104.4	3,833.0	5,937.4	125.7	52.4	6,115.4
November	1,641.8	3,641.5	5,283.3	227.4	94.0	5,604.7
December	1,632.3	3,628.6	5,260.9	295.5	56.7	5,613.1
January 2017	2,240.2	3,641.4	5,881.6	164.3	56.5	6,102.5
February	960.7	3,688.8	4,649.5	176.9	56.4	4,882.8
March	304.9	3,883.5	4,188.3	195.9	38.6	4,422.8
April	124.7	4,156.7	4,281.5	180.2	116.3	4,578.0
May	(76.4)	3,943.1	3,866.7	228.7	47.2	4,142.7
June	(129.6)	4,038.6	3,909.0	164.6	38.5	4,112.2
July	(69.1)	4,199.0	4,129.9	149.9	38.1	4,318.0
August	(454.1)	3,984.3	3,530.3	194.4	150.6	3,875.3
September	1,561.9	4,137.2	5,699.1	302.5	125.4	6,127.0

(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.

(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, and the Clean Michigan Initiative Bond Fund – Environmental Projects and the Great Lakes Water Quality Bond Fund are restricted subfunds of the General Fund.

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 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
September 2013	1,586.5	505.6	2,727.2	4,819.3	521.2	82.3 ^(d)	5,422.8
September 2014	978.4	386.2	3,036.2	4,400.9	400.9	41.3 ^(d)	4,843.1
September 2015	818.8	498.1	3,395.3	4,712.3	177.7	32.5 ^(d)	4,922.4
September 2016	692.1	612.4	3,883.9	5,188.4	246.5	53.7 ^(d)	5,488.7
September 2017	851.9	710.0	4,137.2	5,699.1	302.5	125.4 ^(d)	6,127.0

(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 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.

Table 4



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

Fund	Cash Balances 10-1-16	Receipts	Disbursements	Transfers In	Transfers Out	Cash Balances 9-30-17	Warrants Outstanding	Available Balances 9-30-17
GENERAL AND SCHOOL AID								
General	\$ 2,193,285	\$ 43,971,757	\$ 43,860,309	\$ 283,766	\$ 416,360	\$ 2,172,139	\$ 106,268	\$ 2,065,871
Budget Stabilization ^(a)	612,359	101,334	3,698	-0-	-0-	709,996	-0-	709,996
School Aid	(1,387,493)	13,449,117	14,251,100	1,101,076	125,124	(1,213,524)	399	(1,213,923)
Total General and School Aid	1,418,151	57,522,209	58,115,107	1,384,842	541,485	1,668,610	106,667	1,561,944
SPECIAL REVENUE								
Game and Fish Protection	15,040	69,806	85,954	16,640	891	14,641	77	14,564
Michigan Employment Security Act-Administration	(19,916)	136,232	141,281	20,714	1,297	(5,548)	234	(5,781)
State Aeronautics	(5,065)	135,468	133,997	6,000	4,727	(2,321)	251	(2,571)
Michigan Veterans' Trust	2,943	21,863	21,966	-0-	9	2,830	11	2,819
State Trunkline	835,856	868,649	1,810,113	1,080,445	212,111	762,725	5,032	757,693
Michigan State Waterways	25,848	19,283	33,076	17,982	347	29,690	70	29,620
Blue Water Bridge	64,463	22,214	9,616	-0-	7,040	70,021	7	70,015
Michigan Transportation	93,432	2,624,488	1,377,811	1,436	1,305,367	36,178	5,404	30,774
Comprehensive Transportation	91,213	180,340	339,615	228,347	18,449	141,837	1,294	140,542
Game and Fish Protection Trust	(8,229)	131,239	103,995	-0-	16,640	2,375	-0-	2,375
State Park Improvement	31,801	69,011	57,844	-0-	1,872	41,097	64	41,033
Forest Development	21,594	46,196	39,261	-0-	443	28,086	16	28,070
Michigan Natural Resources Trust	35,483	289,144	295,853	-0-	14	28,760	-0-	28,760
Michigan State Parks Endowment	10,557	169,280	161,905	-0-	241	17,691	74	17,617
Safety Education and Training	7,606	11,380	9,831	-0-	135	9,021	22	8,999
Bottle Deposits	51,492	32,665	31,225	-0-	2,521	50,412	186	50,227
State Construction Code	8,288	10,002	8,736	-0-	106	9,447	7	9,440
Children's Trust	2,941	13,910	14,714	-0-	4	2,134	35	2,099
State Casino Gaming	14,931	36,734	29,639	4,511	12,070	14,467	4	14,463
Homeowner Construction Lien Recovery	242	19	-0-	-0-	-0-	260	-0-	260
Michigan Nongame Fish and Wildlife	2,714	1,958	3,228	-0-	4	1,440	1	1,439
21st Century Jobs Trust	285,516	75,000	150,232	93,900	-0-	304,184	-0-	304,184
Michigan Merit Award Trust	789	30,278	25,832	-0-	29	5,206	-0-	5,206
Outdoor Recreation Legacy	2,973	2,406	3,556	1,349	29	3,143	12	3,130
Off-Road Vehicle	10,325	8,252	7,207	-0-	62	11,308	13	11,295
Snowmobile	10,496	7,943	9,594	3,147	35	11,957	-0-	11,957
Community District Education Trust	-0-	72,000	66,642	-0-	-0-	5,358	-0-	5,358
Unemployment Obligation Trust	1,012	485,640	485,120	-0-	-0-	1,532	-0-	1,532
State Building Authority Advance Financing	(2,806)	36,333	35,356	-0-	-0-	(1,829)	-0-	(1,829)
Michigan Strategic	110,501	160,435	185,026	-0-	-0-	85,910	982	84,928
Land Bank Fast Track Authority	8,344	16,214	13,464	-0-	-0-	11,093	226	10,867
Jobs for Michigan Investment	186,162	181,319	180,182	-0-	-0-	187,299	248	187,052
Workforce Development Agency	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Michigan Finance Authority - School Loan Revolving	1,207,762	528,482	259,309	-0-	-0-	1,476,934	-0-	1,476,934
State Building Authority - Capital Project	63	(26)	(2)	-0-	-0-	40	-0-	40
Total Special Revenue	\$ 3,104,370	\$ 6,494,158	\$ 6,131,176	\$ 1,474,471	\$ 1,584,444	\$ 3,357,379	\$ 14,268	\$ 3,343,111

Table 4



Continued... (In Thousands of Dollars)

Fund	Cash Balances 10-1-16	Receipts	Disbursements	Transfers In	Transfers Out	Cash Balances 9-30-17	Warrants Outstanding	Available Balances 9-30-17
BOND AND DEBT SERVICE								
Clean Michigan Initiative Bond								
- Local Projects	\$ 28	\$ -0-	\$ 27	\$ -0-	\$ 1	\$ 1	\$ -0-	\$ 1
1994 State Trunkline Bond Proceeds	-0-	-0-	-0-	-0-	-0-	-0-	-0-	0
State Trunkline Bond Proceeds	43,841	118,567	1,507	-0-	43,732	117,169	-0-	117,169
Comprehensive Transportation Bond Proceeds	7,911	1,670	3,203	-0-	-0-	6,377	-0-	6,377
Combined State Trunkline Bond and Interest Redemption	5	1	213,029	213,023	-0-	-0-	-0-	-0-
Combined Comprehensive Transportation Bond and Interest Redemption	162	-0-	23,029	22,867	-0-	-0-	-0-	-0-
Recreation and Environmental Protection Bond Redemption	1,743	187	131,427	131,396	-0-	1,899	-0-	1,899
School Loan Bond Redemption	14	-0-	125,138	125,124	-0-	-0-	-0-	-0-
Total Bond and Debt Service	53,703	120,426	497,360	492,410	43,732	125,447	-0-	125,447
ENTERPRISE								
Liquor Purchasing Revolving	80,479	1,127,517	902,746	-0-	221,579	83,671	704	82,968
State Lottery	4,319	1,453,549	528,143	-0-	925,682	4,044	2,293	1,751
Michigan State Housing Development Authority	1,578	42,049	43,627	-0-	-0-	-0-	1	(1)
Michigan Finance Authority - State Water Revolving	66	164,942	124,916	-0-	-0-	40,092	-0-	40,092
Total Enterprise	86,443	2,788,056	1,599,432	-0-	1,147,261	127,807	2,998	124,809
INTERNAL SERVICE								
Correctional Industries Revolving	(2,065)	16,428	15,012	-0-	109	(757)	39	(796)
Motor Transport	9,345	70,444	73,977	-0-	69	5,743	33	5,710
Office Services Revolving	15,227	169,709	164,117	-0-	208	20,611	262	20,348
Information Technology	222	888,324	908,163	-0-	3,375	(22,991)	2,820	(25,811)
Risk Management	12,971	28,505	27,710	-0-	31	13,735	17	13,718
State Sponsored Group Insurance	321,270	760,377	742,596	-0-	-0-	339,051	3	339,048
Total Internal Service	\$ 356,971	\$ 1,933,788	\$ 1,931,574	\$ -0-	\$ 3,792	\$ 355,392	\$ 3,174	\$ 352,219

Table 4



Concluded... (In Thousands of Dollars)

Fund	Cash Balances 10-1-16	Receipts ^(a)	Disbursements	Transfers In	Transfers Out	Cash Balances 9-30-17	Warrants Outstanding	Available Balances 9-30-17
RETIREMENT								
Legislative	\$ 1,202	\$ 53,508	\$ 51,973	\$ -0-	\$ -0-	\$ 2,738	\$ 1	\$ 2,736
State Police	10,824	588,218	585,983	-0-	2	13,057	3	13,054
State Employees'	73,842	5,894,138	5,829,910	-0-	35	138,035	116	137,919
Public School Employees'	155,650	19,265,038	19,272,590	-0-	202	147,896	717	147,179
Judges'	2,034	94,228	94,582	-0-	-0-	1,679	-0-	1,679
Military	3,718	10,789	14,605	-0-	-0-	(98)	-0-	(98)
Total Retirement	247,271	25,905,919	25,849,643	-0-	240	303,307	837	302,469
TRUST AND AGENCY								
Michigan Employment Security Act Contingent	159,917	30,875	22	-0-	30,714	160,056	-0-	160,056
Military Family Relief	2,345	75	108	-0-	-0-	2,312	1	2,311
IntraState Switched Toll Restructuring	3,007	18,850	17,042	-0-	9	4,806	196	4,610
Children's Institute Trust	103	1	-0-	-0-	-0-	104	-0-	104
Abandoned and Unclaimed Property (Escheats)	113,713	159,450	161,832	-0-	-0-	111,331	4,805	106,526
Gifts, Bequests and Deposits Investment	26,220	127,664	133,757	-0-	-0-	20,128	494	19,634
Silicosis, Dust Disease, and Logging Industry Compensation	1,277	1,919	1,381	-0-	5	1,809	34	1,775
Second Injury	11,105	9,621	10,649	-0-	22	10,055	98	9,957
Hospital Patients	128	633	606	-0-	-0-	155	15	140
Self-Insurers' Security	33,389	4,430	5,528	-0-	14	32,277	115	32,162
State Employees' Deferred Comp. I (457)	19	45,021	44,945	-0-	-0-	95	-0-	95
State Employees' Deferred Comp. II (401K)	292	46,756	46,961	-0-	-0-	87	-0-	87
State of Michigan MPERS DC 457	2,427	121,427	120,275	-0-	-0-	3,580	-0-	3,580
State Employees' Defined Contribution Plan	257	322,305	322,302	-0-	-0-	259	-0-	259
Special Assessment Deferment	2,667	91	16	-0-	-0-	2,742	-0-	2,742
Environmental Quality Deposits	2,689	38	17	-0-	-0-	2,709	-0-	2,709
Insurance Carrier Deposits	3,194	48,400	49,352	-0-	-0-	2,242	-0-	2,242
Utility Consumer Representation	1,869	1,763	1,279	-0-	4	2,349	-0-	2,348
Transportation Related	(25,784)	301,568	321,420	-0-	-0-	(45,637)	109	(45,746)
State of Michigan MPERS DC 401K	1,695	38	526	-0-	-0-	1,207	-0-	1,207
State of Michigan Personal Health Care	15	2,792	2,807	-0-	-0-	-0-	-0-	-0-
City Income Tax	8,790	156,775	156,986	-0-	-0-	8,580	607	7,973
Social Welfare	3,880	13,983	15,542	-0-	-0-	2,322	44	2,278
Total Trust and Agency	353,215	1,414,474	1,413,351	-0-	30,770	323,568	6,519	317,049
GRAND TOTALS	\$ 5,620,123	\$96,179,030	\$95,537,643	\$ 3,351,723	\$ 3,351,723	\$ 6,261,510	\$ 134,463	\$ 6,127,047

(a) Totals may not foot due to rounding.

Table 5



Demand Depositories as of September 30, 2017 (In Thousands of Dollars)

City	Depository Bank	Deposits ^(a)	City	Depository Bank	Deposits ^(a)
Adrian	First Federal Bank	\$ 177	Iron Mountain	First National Bank of Iron Mountain	111
Baldwin	Lake Osceola State Bank	43	Lansing	Bank of America-Credit Card Bank of America-Main Account	0 5,100
Cheboygan	Citizens National Bank	67	Lapeer	Lakestone Bank and Trust	155
Chelsea	Chelsea State Bank	92	Manistique	mBank	173
Coldwater	Century Bank and Trust Southern Michigan National Bank	128 185	Marquette	Wells Fargo Bank, Michigan	11,353
Croswell	Eastern Michigan Bank	281	Mason	Commercial Bank	5,068
Crystal Falls	Northern Interstate Bank	51	Midland	Chemical Bank and Trust	3,753
Detroit	JPMorgan Chase-Income Tax JPMorgan Chase-Main Acct. Comerica Bank - Detroit Comerica Bank - ACH Service	0 1,772,838 10,466 0	Monroe	Monroe Bank and Trust	1,014
East Tawas	Huron Community Bank	110	Munising	Peoples State Bank of Munising	43
Escanaba	Upper Peninsula State Bank	79	Newberry	Tahquamenon Area Credit Union	32
Ewen	Gogebic Range Bank	28	Norway	Northern Interstate Bank	26
Gladstone	First Bank Upper Michigan	28	Ontonagon	Citizens State Bank	36
Grand Blanc	The State Bank	91	Port Austin	Port Austin State Bank	25
Grand Rapids	Fifth Third Bank	2,191	St. Ignace	First National Bank	36
Hancock	Superior National Bank and Trust	162	Sault Ste. Marie	Central Savings Bank Soo Co-Op Credit Union	57 25
Hillsdale	Hillsdale County National Bank	103	Shelby	Shelby State Bank	231
Honor	The Honor State Bank	62	Stockbridge	SSBBank	3
Ionia	Independent Bank Mercantile Bank	286 239	Wakefield	First National Bank	119
			Zeeland	Huntington National Bank	2,353
			Total		\$ 1,817,420

(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 \$2,185,439,000 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 2017, the State issued \$119.6 million in debt to fund the Environmental Program.

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 9-30-17
School Bond Loan^(a)	Series 2009 A (Refunding)	2009	2015-2020	\$ -0-	\$ -0-	\$ 36,910	\$ 11,507	\$ 153,605
	Series 2009 B (Refunding)	2009	2010-2030	-0-	-0-	4,601	3,209	16,301
	Series 2010 B (Refunding)	2010	2016-2020	-0-	-0-	14,020	2,918	69,805
	Series 2011 A	2011	2014-2023	-0-	-0-	11,600	4,074	83,600
	Series 2011 B	2011	2023	-0-	-0-	-0-	1,114	30,110
	Series 2012 A (Refunding)	2012	2013-2026	-0-	-0-	19,055	4,661	135,190
	Series 2013 A	2013	2024-2033	-0-	-0-	-0-	6,668	200,000
	Series 2016 A (Refunding)	2016	2016-2022	-0-	-0-	2,970	1,819	126,115
Environmental General Obligation Debt^(b)	Series 2002 (Refunding)	2002	2004-2016	-0-	-0-	19,500	536	-0-
	Series 2008 A (Refunding)	2008	2011-2019	-0-	-0-	61,875	6,105	60,890
	Series 2008 B (Refunding)	2008	2011-2019	-0-	-0-	1,205	190	2,585
	Series 2010 A (Refunding)	2010	2012-2020	-0-	-0-	4,000	1,398	27,050
	Series 2011 A (Refunding)	2011	2021-2025	-0-	-0-	-0-	1,689	44,035
	Series 2011 B (Refunding)	2011	2013-2020	-0-	-0-	-0-	895	29,515
	Series 2012 (Refunding)	2012	2016-2020	-0-	-0-	4,120	4,038	88,185
	Series 2014 A	2014	2023-2028	-0-	-0-	-0-	3,257	65,140
	Series 2014 B	2014	2026	-0-	-0-	-0-	724	20,155
	Series 2015 A (Refunding)	2015	2016-2028	-0-	-0-	7,425	6,108	121,690
	Series 2016 A	2016	2021-2024	-0-	-0-	-0-	4,740	82,240
	Series 2016 B (Refunding)	2016	2021-2025	-0-	-0-	-0-	2,395	59,950
	Series 2017 A	2017	2022-2027	79,000	6,000	-0-	-0-	79,000
	Series 2017 B	2017	2020-2025	40,575	-0-	-0-	-0-	40,575
Total General Obligation Bonded Debt				\$119,575	\$ 6,000	\$ 187,281	\$ 68,045	\$ 1,535,736

(a) PA 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) The following environmental classifications are represented by the respective Public Acts:

- PA 328 of 1988 provided for the issuance of \$660 million General Obligation Bonds related to Environmental Protection, of which \$0 million remains.
- PA 284 of 1988 and PA 451 of 1994, as amended, provided for the issuance of \$675 million General Obligation Bonds related to the Clean Michigan Initiative, of which \$61.6 million remains.
- PA 396 of 2002 provided for the issuance of \$1.0 billion General Obligation Bonds related to Great Lakes Water Quality, of which \$473.3 remains.

Table 7



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

Item	New Issues	Principal Payments	Interest Payments	Outstanding Principal as of 9-30-17
Mackinac Island State Park Commission	\$ -0-	\$ 55	\$ 75	\$ 1,575
Michigan State Housing Development Authority ^(b)	469,725	731,665	77,899	2,100,310
Michigan Finance Authority ^(c)	1,524,593	2,020,293	764,567	18,271,815 *
Michigan State Building Authority ^(d)	108,985	87,070	133,159	3,053,655 *
Total Special Authority Debt	\$2,103,303	\$2,839,083	\$ 975,700	\$ 23,427,355

* 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 \$469.7 million of new bond issues for the year. Amounts are as of September 30, 2017.

(c) Balance does not include obligations that have been advanced refunded. The escrow principal liability as of September 30, 2017, was \$1,357.3 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, 2017, was \$137.7 million. Also outstanding principal does not include commercial paper notes issued by the Authority. As of September 30, 2017, \$105.5 million of commercial paper notes was outstanding.

Michigan Finance Authority Debt by Program	New Issues	Principal Payments	Interest Payments	Outstanding Principal as of 9-30-17
Health	\$ 301,525	\$ 248,694	\$ 317,916	\$ 7,190,968
Higher Education	123,493	91,474	14,018	529,118
Municipal	1,034,405	1,138,332	271,251	7,216,139
Public School Academies	50,670	51,180	16,345	257,800
Tobacco	-0-	6,350	57,546	1,145,120
Private K-12	14,500	N/A	N/A	50,565
Student Loan	-0-	125,048	14,520	628,944
Unemployment	-0-	359,215	72,971	1,253,161
Total Michigan Finance Authority Debt	\$ 1,524,593	\$ 2,020,293	\$ 764,567	\$18,271,815

Table 8



General Obligation Bond Payment Schedule (In Thousands of Dollars)

For Period Ended	Principal	Interest	Total ^(a)
September 30,			
2018	\$ 168,047	\$ 62,015	\$ 230,062
2019	172,403	55,557	227,961
2020	153,144	47,155	200,299
2021	159,705	40,657	200,361
2022	159,479	35,838	195,317
2023	153,613	28,752	182,365
2024	106,385	23,444	129,828
2025	109,240	18,543	127,783
2026	106,197	14,232	120,428
2027	63,471	10,397	73,868
2028	45,936	7,766	53,702
2029	47,882	5,647	53,529
2030	22,809	12,153	34,962
2031	21,640	2,496	24,136
2032	22,455	1,717	24,172
2033	23,330	887	24,217
2034	-0-	-0-	-0-
2035	-0-	-0-	-0-
Total	\$1,535,735	\$367,257	\$1,902,992

(a) Figures may not add to totals because of rounding.

Table 9



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

Item	Outstanding on September 30,				
	2013	2014	2015	2016	2017
GENERAL OBLIGATION DEBT					
School Bond Loan	\$1,130,893	\$1,053,887	\$ 974,264	\$ 903,882	\$ 814,726 *
Environmental Protection	746,110	763,575	686,735	680,060	721,010 *
Total General Obligation Debt	\$1,877,003	\$1,817,462	\$1,660,999	\$1,583,942	\$1,535,736
NON-GENERAL OBLIGATION DEBT					
Michigan Department of Transportation Tax					
Dedicated Bonds	\$1,371,660	\$1,235,440	\$1,104,810	\$ 961,470	\$ 882,460
MDOT Grant Anticipation Bonds	733,410	724,960	716,305	616,625	607,110
Michigan Department of Natural Resources					
State Park Revenue Bonds	9,465	8,700	7,900	7,060	6,185
Special Authorities-Revenue Bonds and Notes: ^(a)					
Mackinac Island State Park Commission	1,785	1,735	1,685	1,630	1,575
Michigan State Housing Development Authority	2,114,642	2,020,105	2,092,780	2,362,250	2,100,310
Michigan State Building Authority	3,181,564	3,105,869	3,107,035	3,031,728	3,053,655 *
Michigan Finance Authority ^(b)	16,079,319	17,537,276	18,556,416	18,852,904	18,271,815 *
Total Non-General Obligation Debt	\$23,491,845	\$24,634,085	\$25,586,931	\$25,833,667	\$24,923,110

* 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.

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 9-30-17
Michigan Department of Transportation							
Tax Dedicated Bonds Michigan							
Comprehensive Transportation	RF. Series 2005	2005 2023	\$ 62,180	\$ -0-	\$ 5,035	\$ 2,332	\$ 39,380
	RF. Series 2009	2009 2019	42,335	-0-	7,325	1,180	15,825
	RF. Series 2011	2011 2022	18,470	-0-	1,855	560	10,685
	RF. Series 2013	2013 2023	10,130	-0-	1,940	196	3,575
	RF. Series 2015	2015 2031	29,380	-0-	1,020	1,423	28,360
State Trunkline Fund							
	RF. SR. 1998-A	1998 2019	377,890	-0-	27,985	4,422	66,410
	RF. SR. 2004	2004 2022	103,450	-0-	9,490	3,063	55,330 *
	RF. SR. 2005	2005 2022	223,020	-0-	17,640	6,377	108,365 *
	Series 2006	2006 2017	244,525	-0-	17,595	434	-0-
	New & RF. SR 2009	2009 2027	146,190	-0-	-0-	7,299	146,190
	Series 2011	2011 2037	90,980	-0-	2,385	4,036	81,930
	RF. SR 2012	2012 2022	49,305	-0-	5,730	1,542	27,965
	RF. SR 2014	2014 2022	265,085	-0-	41,010	10,145	184,390
	RF. SR 2015	2015 2023	54,055	64,480	-0-	2,615	54,055
MDOT Grant Anticipation Bonds							
	Series 2007	2007 2017	485,115	-0-	9,515	451	-0-
	Series 2009	2009 2016	281,910	-0-	-0-	21,495	-0-
	Series 2016	2016 2027	607,110	697,715	-0-	19,794	607,110
Michigan Department of Natural Resources State Park Revenue Bonds							
	Series 2002	2002 2022	15,500	-0-	875	286	6,185
Total Special Revenue Debt				\$ 762,195	\$ 149,400	\$ 87,650	\$ 1,435,755

* 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	FY17 Paid from Escrow Principal	Interest	FY17 Escrow Balance
Special Revenue Debt:					
Comprehensive Transportation	2015	\$ 32,755	\$ -0-	\$ -0-	\$ -0-
Trunkline Transportation	2014, 2015	344,745	-0-	-0-	-0-
Grant Anticipation	2016	697,715	415,810	21,830	307,050
		\$ 1,075,215	\$ 415,810	\$ 21,830	\$ 307,050

State Tax Collections

State taxes and fees totaling \$24,765,992 (in thousands) were collected during fiscal year 2017, which is an increase of 4.37% from the previous fiscal year.

Major tax collections for fiscal year 2017 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)	10-1-12 to 9-30-13	10-1-13 to 9-30-14	10-1-14 to 9-30-15	10-1-15 to 9-30-16	10-1-16 to 9-30-17
Type of Revenue ^(f)					
Income Tax:					
Withholding Tax	\$7,849,363	\$8,073,344	\$8,470,585	\$8,999,148	\$9,268,902
Individual Flow-Through Withholding	145,591	140,524	155,565	166,237	84,635
Individual Income Tax	1,133,565	805,955	936,455	923,447	887,594
Individual Income Tax Estimates	865,393	878,563	1,034,436	1,063,465	1,185,912
Individual Income Tax Penalty and Interest	30,627	34,832	\$39,815	42,903	41,417
Gross Individual Income Tax Collections	10,024,540	9,933,218	10,636,856	11,195,200	11,468,460
Tax Refunds and Tax Credits	(1,667,275)	(1,753,456)	(1,744,525)	(1,856,661)	(1,897,567)
Net Individual Income Tax	\$8,357,265	\$8,179,762	\$8,892,331	\$9,338,538	\$9,570,893
Single Business Tax ^(a)	20,517	23,337	19,015	20,158	21,145
Single Business Tax Penalty and Interest	19,154	513	3,441	4,218	661
Gross Single Business Tax	39,671	23,850	22,456	24,376	21,806
Tax Refunds	(32,600)	(68,188)	(16,290)	(26,111)	(2,037)
Net Single Business Tax	\$7,071	(\$44,338)	\$6,166	(\$1,735)	\$19,768
Michigan Business Tax ^(a)	394,042	98,232	125,229	65,137	(99,956)
Michigan Business Tax Penalty and Interest	54,925	15,858	18,132	13,378	11,513
Gross Michigan Business Tax	448,967	114,090	143,361	78,515	(88,443)
Tax Refunds	(576,284)	(724,097)	(985,036)	(1,114,596)	(630,385)
Net Michigan Business Tax	(\$127,317)	(\$610,007)	(\$841,675)	(\$1,036,081)	(\$718,828)
Corporate Income Tax ^(a)	830,007	1,061,552	1,151,609	1,022,275	1,191,766
Corporate Flow-Through Withholding	62,144	25,729	24,533	36,852	15,097
Corporate Income Tax Penalty and Interest	2,775	9,705	13,090	14,982	22,535
Gross Corporate Income Tax	894,926	1,096,986	1,189,232	1,074,109	1,229,398
Tax Refunds	(24,837)	(129,390)	(119,992)	(122,451)	(124,009)
Net Corporate Income Tax	\$870,089	\$967,596	\$1,069,240	\$951,658	\$1,105,389
Airport Parking Tax	21,165	22,275	24,810	27,322	28,489
Airport Parking Tax Penalty and Interest	-0-	-0-	5	-0-	-0-
Cigarette - Tobacco Products Tax	892,329	857,700	865,928	880,350	870,565
Cigarette - Tobacco Products Tax Penalty and Interest	675	133	172	157	126
Commercial Mobile Radio Service Tax	28,515	27,964	28,827	28,539	28,741
Convention Facility Tax	19,848	21,759	23,606	24,877	26,374
Convention Facility Tax Penalty and Interest	34	44	25	27	71
Environmental Protection Regulatory Fee	50,582	54,393	53,420	53,271	53,248
Essential Services Assessment ^(a)	N/A	N/A	N/A	66,459	85,323
Estate Tax ^(b)	(23)	31	-0-	-0-	-0-
Gas and Oil Privilege Fee	9,134	10,891	6,595	3,612	4,585
Gas and Oil Severance Tax	59,618	64,531	32,922	20,232	23,747
Health Insurance Claims Assessment Tax	268,447	277,030	228,573	227,356	279,064
Industrial/Commercial Facilities Tax	35,020	33,474	35,133	34,752	35,845
Inheritance Tax ^(b)	19	304	(136)	20	28
Insurance-Retaliatory Tax	291,523	339,534	361,229	304,073	349,856
Intangibles Tax ^(c)	1	-0-	-0-	-0-	-0-
Motor Fuel Taxes	957,610	966,904	995,092	1,020,487	1,328,779
Non-Cigarette - Tobacco Products Tax	64,777	73,051	77,481	77,413	80,807
Real Estate Transfer Tax	191,881	219,647	264,752	275,553	326,329
Sales Tax	7,197,816	7,232,030	7,296,218	7,297,552	7,784,342
Sales, Use and Withholding Penalty and Interest	42,898	36,625	43,616	36,809	25,574
State Education Tax	1,745,870	1,797,186	1,841,399	1,883,828	1,913,918
State Housing Development Service Fee	12,667	17,919	12,523	12,947	11,464
Use Tax	1,292,590	1,584,555	2,060,829	2,015,433	1,353,405
Utility Property Tax	53,664	50,207	47,331	38,928	37,200
Other Taxes and Fees ^(d)	152,229	149,610	147,209	145,612	140,889
TOTAL	\$22,495,995	\$22,330,813	\$23,573,621	\$23,727,989	\$24,765,992

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

(d) Includes Assessor's Training & Certification Fees, Garnishment Fees, Court Fines, Fees & Assessments, Driver Responsibility Fees, Trailer Coach Parks Specific Tax, Commercial Forest Tax and Low Grade Iron Ore Specific Tax.

(e) New in 2016, per Public Act 92 of 2014.

(f) Flow-Through Withholding, Public Act 158 of 2016, requirement is ended. Flow-Through Withholding is now reported with the Corporate Income Tax and Individual Income Tax.

Table 12



Michigan State Taxes and Fees (In Thousands of Dollars)

Tax Source	Year Adopted	Department Administered by	Payment Deadline	Net Cash Receipts 10-1-16 to 9-30-17	Disposition
Aircraft Registration	1923	Transportation	August 1	354	State Aeronautics Fund
Airport Parking	1987	Treasury	15th of each month	28,489	State Aeronautics Fund; Specific Local Units
Aviation Fuel	1929	Treasury	20th of each month	5,715	State Aeronautics Fund
Beer & Wine Excise	1933	Licensing and Regulatory Affairs	Monthly reports and/or stamps	51,378	General Fund
Casino Wagering	1999	Treasury (GCB)	Daily	112,748	School Aid Fund, General Fund
Cigarette - Tobacco Products	1947	Treasury	20th of each month	870,565	41.6% to School Aid Fund, 19.80% to General Fund, 3.8% to Healthy Michigan Fund, 31.9% to Medicaid Benefits Trust Fund, 2.4% to Health & Safety Fund, 0.5% to Wayne County Indigent Health Care
Commercial Mobile Radio Services	1999	Treasury/MSP	Last day of February, April, July & October	28,741	Commercial Radio Suppliers and Counties, Public Safety Answering Points
Convention Facility Development	1985	Treasury	15th of each month	26,374	Debt Service for Cobo Hall; Counties
Corporate Income Tax	2012	Treasury	15th of April, July, October and January	1,082,855	General Fund
Corporate Organization	1891	Licensing and Regulatory Affairs	At time of incorporation, admission or increase in stock	24,884	General Fund
Diesel Fuel	1947	Treasury	20th of each month	183,091	Michigan Transportation Fund
Environmental Protection Regulatory	1989	Treasury	10th and 25th of each month	53,248	First \$20 million to Leaking Underground Storage Tank Cleanup Fund. Remaining to Refined Petroleum Fund.
Essential Services Assessment	2014	Treasury	August 15th	85,323	General Fund
Estate	1994	Treasury	Nine months following date of death	-0-	General Fund
Gas and Oil Privilege Fee	1973	Treasury	25th of each month	4,585	General Fund
Gas and Oil Severance	1929	Treasury	25th of each month	23,747	General Fund
Gasoline	1925	Treasury	20th of each month	1,114,711	Michigan Transportation Fund
Health Insurance Claims Assessment Tax	2012	Treasury	30th of April, July, October and January	279,064	Health Insurance Claims Assessment Fund
Horse Race Wagering	1933	Treasury (GCB)	At end of each day's racing	3,502	Agriculture Equine Industry Development Fund
Individual Income	1967	Treasury	April 15	9,529,477	General Fund with 23.808% to School Aid Fund
Industrial/Commercial Facilities	1974	Treasury	December 1	35,845	Local Units and School Aid Fund
Inheritance	1899	Treasury	Within 105 days after death, except contingent transfers-due at vesting	28	General Fund
Insurance Company Retaliatory	1987	Treasury	Last day of April, July, October & January	349,856	General Fund
Intangibles	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	168	Michigan Transportation Fund
Liquor - 4% - Tourism and Convention Facility	1985	Licensing and Regulatory Affairs	At the time of sale to retail licensees	54,227	Debt Service for Cobo Hall; Counties
Liquor Excise - 4%	1957	Licensing and Regulatory Affairs	At the time of sale to retail licensees	53,973	School Aid Fund
Liquor Specific - 4%	1959	Licensing and Regulatory Affairs	At the time of sale to retail licensees	54,721	General Fund
Marine Fuel	1947	Treasury	20th of each month	300	Michigan State Waterways Fund
Michigan Business	2007	Treasury	15th of April, July, October and January	(730,341)	General Fund
Motor Carrier Diesel Fuel	1980	Treasury	Last day of month following close of quarter	23,317	Michigan Transportation Fund
Motor Carrier's Privilege	1933	MSP & PSC	January 1	8,428	Truck Driver Safety Fund and Motor Carrier Fees
Motor Vehicle Weight or Value	1905	State	Owner's birthday	1,212,999	Michigan Transportation Fund
Non-Cigarette - Tobacco Products	1994	Treasury	20th of each month	80,807	75% to Local Units, 25% to General Fund.
Nonferrous Metallic Minerals Extraction Severance Tax	2012	Treasury	February 15	1,193	65% to Local Units, 35% to Rural Development Fund
Quality Assurance Assessment Fees	2002	Treasury	Quarterly basis	1,185,408	Medicaid Program
Real Estate Transfer	1994	Treasury	County Treasurer remits to State on the 15th in the month after receipt	326,329	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	7,784,342	73.3% to School Aid Fund, 8.4% to General Fund, 1.1% to Comprehensive Transportation Fund, 16.2% to Local Units, less than 1% to the following: Healthy Initiative Fund, Enhanced Enforcement, State Aeronautics Fund, Qualified Airport Fund.
Single Business	1975	Treasury	April 30 or last day of 4th month after end of taxpayer's tax year	19,107	General Fund
Snowmobile Registration	1968	State	October 1 (every 3rd year)	1,935	Michigan Conservation and Recreation Legacy Fund
State Education	1994	Treasury	County Treasurer remits to State the month after receipt from Local Units	1,913,918	School Aid Fund
Use	1937	Treasury	15th of each month	1,353,405	66.6% to General Fund, 33.4% to School Aid Fund, less than 1% to the following: State Aeronautics Fund and Qualified Airport Fund.
Utility Property	1905	Treasury	July 1 or 1/2 on Aug. 1, 1/2 on Dec. 1	37,200	General Fund
Watercraft Registration	1967	State	January 1 (every 3rd year)	9,725	Michigan Conservation and Recreation Legacy Fund

Local Property Taxes

Each of Michigan's 83 counties "equalizes" the local property assessments. Equalization ensures that similar properties in different areas are assessed equitably. Following county equalization, the State Tax Commission equalizes among counties.

Local property taxes in Michigan are levied on taxable values (resulting from State equalization) by local units of government: school districts, cities, counties, townships and villages.

Table 13 shows state, county and local equalized valuations for calendar year 2016 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	Total Taxes Levied	Average Rate (Mills)	Homestead Average Rate ^(a)	Non-Homestead Average Rate
2016	396,675	396,718	396,718	327,405	13,653	41.70	34.55	52.95
2015	382,421	382,415	382,415	327,674	13,475	41.12	34.21	52.33
2014	360,594	360,593	360,593	319,540	13,034	40.79	33.92	51.77
2013	350,023	350,025	350,025	316,726	12,818	40.47	33.53	51.47
2012	349,320	349,306	349,306	315,772	12,757	40.40	33.47	51.24
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

(a) Homesteads include properties which received exemption from school operating millage. Property exemptions included: principal residence, qualified agricultural, qualified forest, supportive housing, property occupied by a public school academy, DNR, and industrial personal property.

Table 14



Distribution of Local Property Taxes (In Thousands of Dollars)

Taxing Unit	Taxes Levied		Percent of Increase
	2015	2016	
City	\$ 2,380,166	\$ 2,407,189	1.14%
County	2,278,524	2,115,098	-7.17%
Township	972,587	1,074,732	10.50%
Village	86,451	84,341	-2.44%
School	5,875,671	6,056,597	3.08%
State Education Tax	1,882,000	1,915,185	1.76%
Totals	<u>\$13,475,399 ^(a)</u>	<u>\$13,653,142 ^(b)</u>	

(a) \$557.2 million of the total property taxes levied in 2015 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.

(b) \$579.7 million of the total property taxes levied in 2016 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.

Published by the:

Michigan Department of Treasury
430 W. Allegan Street
Lansing, MI 48922

This report is available at
www.michigan.gov/treasury.

Issued under the authority of P.A. 122 of 1941.