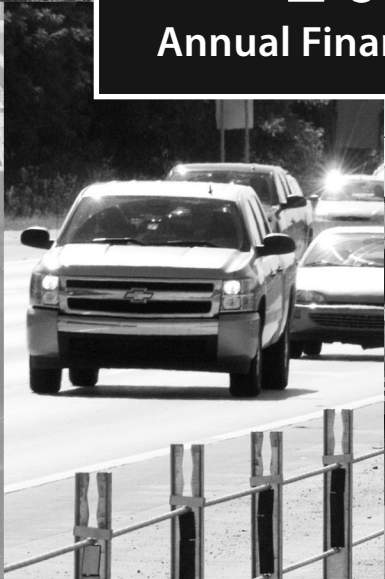


MICHIGAN DEPARTMENT OF TRANSPORTATION



• 2013 •
Annual Financial Report



Fiscal Year Ending September 30, 2013

MICHIGAN DEPARTMENT OF TRANSPORTATION

ANNUAL FINANCIAL REPORT

Fiscal Years Ended September 30, 2013 & 2012

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

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MICHIGAN DEPARTMENT OF TRANSPORTATION
ANNUAL FINANCIAL REPORT
 FISCAL YEAR ENDED SEPTEMBER 30, 2013

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



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STATE OF MICHIGAN
DEPARTMENT OF TRANSPORTATION
LANSING

RICK SNYDER
GOVERNOR

KIRK T. STEUDLE
DIRECTOR

January 31, 2014

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

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

Dear State Transportation Commission and Director Steudle:

We are pleased to submit the Annual Financial Report for the Michigan Department of Transportation (Department) for the fiscal years (FY) ending September 30, 2012 and 2013. This report is prepared by the Bureau of Finance and Administration, which is responsible for both the accuracy of the data and the completeness and fairness of the presentation. The data is accurate in all material respects and is presented in a manner designed to fairly set forth the financial position and results of the Department's operations.

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

FINANCIAL UPDATE

During FY 2013, the Department continued to deliver high quality products and services and benefited from an increase in revenues for every major revenue source. The \$330 million increase in total MDOT revenues was aided by a one-time re-direction of sales tax on motor fuels of \$110 million from the General Fund and an increase in Federal Aid of \$156 million.

While the State of Michigan's economic situation continues to improve, the Department is still faced with financial challenges. The public demand for a quality transportation system cannot be supported at current funding levels.

In FY 2013 the Michigan Transportation Fund (MTF) received \$906.5 million in Motor Vehicle Registration Tax revenue, a \$30 million increase compared to FY 2012. Gasoline and Diesel fuel taxes also increased compared to FY 2012 by over \$5 million.

In FY 2013 the State Trunkline Fund (STF) received \$870.5 million in revenues, a \$8.9 million increase compared to FY 2012. A sales tax revenue increase of \$100 million helped the Department match federal aid. This was one-time funding re-directed from the General Fund. Revenue from Federal Agencies declined by \$91 million compared to FY 2012 while Revenue from Local Agencies increased \$1.9 million. A Fund Balance increase of \$44.2 million was available to support the department's five year capital program.

In FY 2013, the Comprehensive Transportation Fund (CTF) received \$161.4 million total in MTF revenue for public transportation services, a \$4.4 million increase compared to FY 2012. In FY 2013, the CTF also received \$103.0 million in sales tax revenue from vehicle-related sales, which was an increase of \$4.9 million compared to FY 2012. Revenue from Federal Agencies increased by \$171.1 million compared to FY 2012.

In FY 2013, aviation fuel tax revenue deposited in the State Aeronautics Fund remained at \$5 million, staying at the historically low levels from FY 2012. The State Aeronautics Fund received \$10 million in one-time sales tax revenue in FY 2013 to help support its operations. Revenue from Federal Agencies decreased by \$35.9 million compared to FY 2012.

PROGRAM OVERVIEW

The Department's Transportation Program supports the creation of jobs, growth of the economy, preservation of our environment, the safety and security of the transportation system, and implements the direction set by the State Transportation Commission. In FY 2013, the Department was confronted with increased project costs, stretched budgets, and an aging infrastructure. Currently, pavement and bridge conditions are rated at 86 percent and 94 percent good and fair, respectively. The overall system health of trunkline pavements remains at 8.0 years average remaining life at the end of FY 2013. Asset management technology and strategies continue to enhance accurate forecasting of pavement condition and assist in prioritization of future projects.

The FY 2013 capital program provided Michigan travelers with approximately 145 route miles of improved roads and 178 rehabilitated and maintained bridges. There were 46 projects obligated for the reconstruction and rehabilitation of trunkline roads. Additionally, the Department managed the good and fair roads by extending the life of over 900 miles of pavement through the Capital Preventive Maintenance Program. With the FY 2013 Highway Program investment, the Department continued to positively influence Michigan's economy by supporting approximately 13,225 jobs.

The FY 2013 Highway Capital and Maintenance Programs invested \$1.05 billion to maintain the 9,700 mile state trunkline system, including pre-construction phases (project scoping, environmental clearance, design, right-of-way acquisition) and construction projects. Pavement preservation activities, including road rehabilitation and reconstruction and capital preventive maintenance totaled \$412 million. Bridge preservation activities, including bridge rehabilitation and reconstruction and bridge capital preventive maintenance, will total \$158 million. Capacity Improvements and New Roads investments totaled \$128 million. Routine maintenance activities total an estimated \$273 million; this includes pothole filling, snow plowing, sweeping, and grass cutting.

The Department allocated \$62 million in federal and state funds to work categories that include signs, pavement markings, median cable guardrail, traffic signals, and safety programs that

address several focus areas in Michigan's State Highway Safety Plan. For safety projects in FY 2013 there were 30 total projects, of which 17 were low cost safety improvements. The remaining 13 projects were cost justified by addressing 18 fatalities and 41 serious injuries which occurred during the study period. In FY 2013, the department replaced statewide 150 million feet of pavement markings and replaced critical special markings at school, pedestrian, railroad crossing and intersection approaches.

In FY 2013, the Department continued to make targeted capital investments designed to help maintain efficient freight service on the 530 miles of state-owned freight rail lines operated, under contract, by four railroad companies. Projects were begun to improve nearly 65 miles of main-line track, enhancing the safety and efficiency of the lines and helping ensure continued rail access to shippers. A number of smaller projects were undertaken as well. The Department provided funding for 35 grade crossing safety enhancement projects and one crossing closure effort on roads under county, city, or village jurisdiction and 31 crossing projects on state trunklines, investing a total of \$10.1 million in the interest of motorist safety. Through the Freight Economic Development Program, the Department approved loans for six projects, investing over \$2.1 million to provide rail access for new or expanding businesses. The Department also provided nearly \$500,000 in legislatively mandated operating assistance to the Detroit-Wayne County Port Authority for administrative and marketing expenditures.

State and federal funds were also used to maintain intercity passenger rail service to 22 Michigan communities, improve and replace intercity passenger rail facilities, and spur economic development along Michigan's rail lines. The Department distributed \$8 million in CTF monies to support passenger rail services along the Pere Marquette and Blue Water routes. The Department received \$141.1 million from the Federal Railroad Administration to acquire the 135 mile accelerated rail corridor between Dearborn and Kalamazoo. In FY 2013, \$54.7 million was expended on infrastructure and service upgrades to benefit both passengers and freight users along the newly-acquired 135-mile accelerated rail corridor between Dearborn and Kalamazoo. These investments supported track improvements to achieve higher-speed service (reducing travel times) and paved the way toward making Wi-Fi service available to passengers. The track upgrades and intermodal station facilities for which Michigan received American Recovery and Reinvestment Act (ARRA) funding continued to progress.

For FY 2013, the Department approved 206 contracts for Capital Improvements to Michigan airports. The amount in federal, state and local grants totaled \$75,637,183. These numbers do not include improvements to airports made by the local sponsors that are not required to be reported to the state or federal governments. Locally funded projects usually exceed the amounts funded by the Federal Aviation Administration and Michigan Department of Transportation. Most of these locally funded projects occur at the primary airports not the general aviation airports. The increase in funding from the FAA and Office of Aeronautics is primarily due to large discretionary grants sent to Willow Run Airport. The Michigan Department of Transportation remains committed to the preservation of current assets with the goal of

100 percent of the primary runways at Tier One airports with good or better pavement. Recent inspections reveal that 84 percent of the runways met the good or better pavement criteria.

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

CONCLUSION

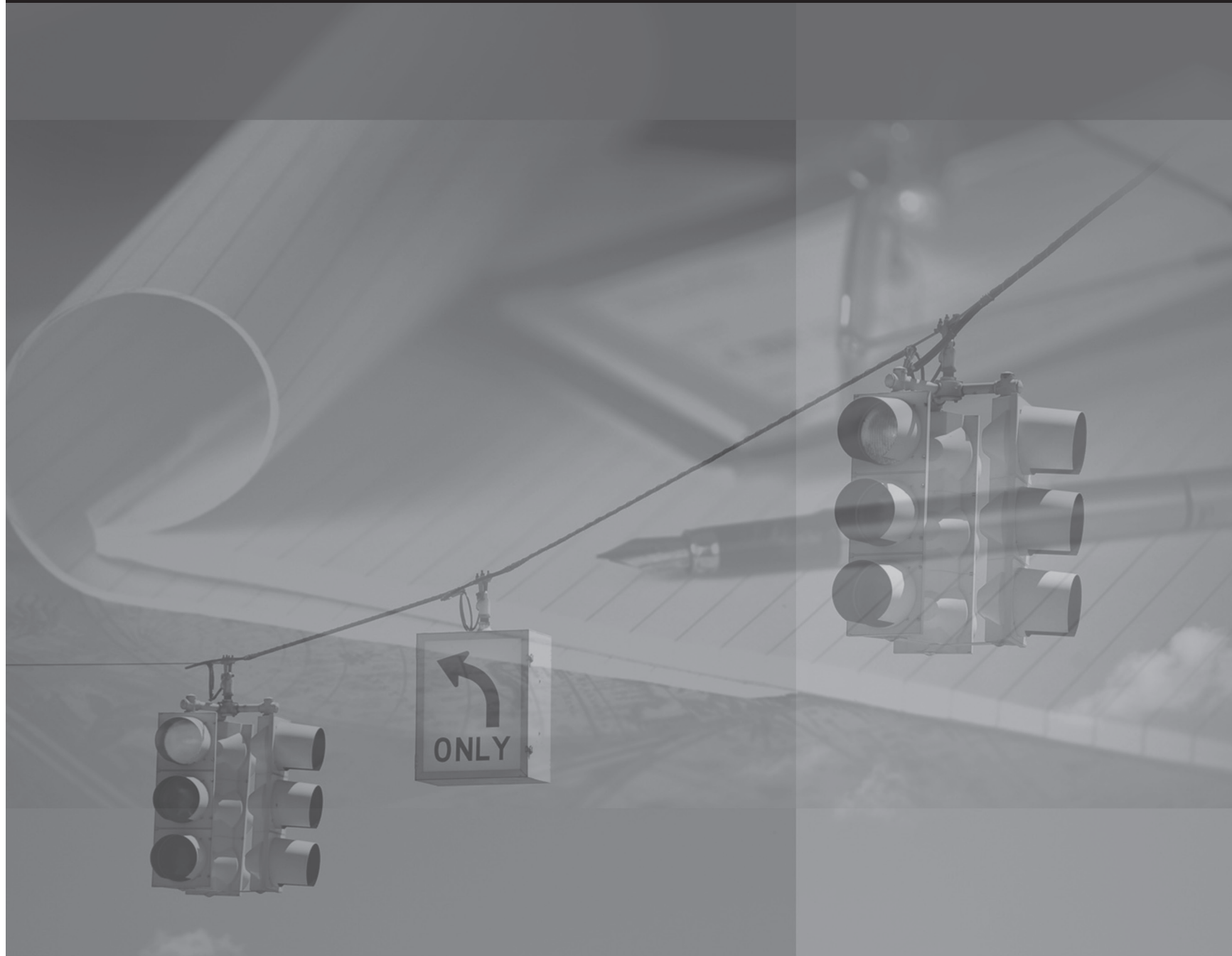
In FY 2013, \$3.5 billion was expended from all revenue sources to address Michigan’s transportation needs. The Department strives to make wise investment decisions with its limited resources to maximize the results achieved. This has fostered many innovative ideas in the Department and will undoubtedly promote even more in the future.

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

Sincerely,

A handwritten signature in black ink, appearing to read "Myron G. Frierson". The signature is fluid and cursive, with a large initial "M" and "F".

Myron G. Frierson, Bureau Director
Finance and Administration



Financial Section





COMBINED FINANCIAL STATEMENTS – ALL FUND TYPES
NOTES TO FINANCIAL STATEMENTS

MICHIGAN DEPARTMENT OF TRANSPORTATION
COMBINED BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS- BY FUND TYPE
 SEPTEMBER 30, 2013 and 2012
 (In Thousands)

	GOVERNMENTAL FUND TYPES			
	SPECIAL REVENUE		DEBT SERVICE	
	2013	2012	2013	2012
ASSETS				
Current Assets:				
Cash and cash equivalents	\$ -	\$ 14	\$ -	\$ -
Equity in Common Cash	203,512	207,694	14	-
Receivables:				
Taxes, interest, and penalties (at net)	93,938	94,868	-	-
Federal aid	57,836	21,996	-	-
Local units	876	882	-	-
Other funds	9,621	19,224	-	-
Component Units	-	-	-	-
Other Current Assets	284	120	-	-
Inventories	-	-	-	-
Total Current Assets	<u>366,065</u>	<u>344,797</u>	<u>14</u>	<u>-</u>
Noncurrent Assets:				
Receivables:				
Taxes	2,547	2,398	-	-
Federal aid	-	-	-	-
Local units	1,296	1,864	-	-
Advances to other funds	-	-	-	-
Land contracts	-	-	-	-
Miscellaneous	368	514	-	-
Total Noncurrent Assets	<u>4,212</u>	<u>4,776</u>	<u>-</u>	<u>-</u>
Total Assets	<u>\$ 370,277</u>	<u>\$ 349,573</u>	<u>\$ 14</u>	<u>\$ -</u>
LIABILITIES AND FUND BALANCES				
Current Liabilities:				
Warrants outstanding	\$ 911	\$ 1,124	\$ 14	\$ -
Accounts payable	227,125	216,001	-	-
Contract reserve payable	-	-	-	-
Due to other funds and Components	13,718	18,144	-	-
Deposits, permits and other liabilities	808	5,130	-	-
Deferred revenue	8,817	7,170	-	-
Total Current Liabilities	<u>251,380</u>	<u>247,569</u>	<u>14</u>	<u>-</u>
Long-Term Liabilities:				
Deferred revenue	3,030	3,081	-	-
Advances from other funds	-	-	-	-
Total Liabilities	<u>254,410</u>	<u>250,650</u>	<u>14</u>	<u>-</u>
Fund Balance:				
Nonspendable	-	-	-	-
Restricted	115,867	98,923	-	-
Committed	-	-	-	-
Assigned	-	-	-	-
Total Fund Balances	<u>115,867</u>	<u>98,923</u>	<u>-</u>	<u>-</u>
Total Liabilities and Fund Balances	<u>\$ 370,277</u>	<u>\$ 349,573</u>	<u>\$ 14</u>	<u>\$ -</u>

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

CAPITAL PROJECTS		TOTALS	
2013	2012	2013	2012
\$ 80	\$ 310	\$ 80	\$ 323
875,120	755,893	1,078,646	963,587
413	663	94,351	95,531
223,743	268,564	281,579	290,560
50,503	54,568	51,379	55,450
10,620	14,092	20,241	33,316
2,468	2,103	2,468	2,103
3,159	4,029	3,444	4,149
9,150	14,959	9,150	14,959
<u>1,175,256</u>	<u>1,115,180</u>	<u>1,541,336</u>	<u>1,459,978</u>
-	-	2,547	2,398
-	-	-	-
25,876	27,656	27,172	29,520
-	-	-	-
33	295	33	295
30	60	398	574
<u>25,938</u>	<u>28,011</u>	<u>30,150</u>	<u>32,787</u>
\$ <u>1,201,195</u>	\$ <u>1,143,191</u>	\$ <u>1,571,486</u>	\$ <u>1,492,764</u>
\$ 1,087	\$ 3,039	\$ 2,012	\$ 4,163
244,965	256,050	472,090	472,051
391	1,211	391	1,211
9,842	17,168	23,560	35,313
22,743	21,669	23,551	26,799
5,067	8,515	13,884	15,684
<u>284,094</u>	<u>307,653</u>	<u>535,488</u>	<u>555,221</u>
99	396	3,129	3,477
-	-	-	-
<u>284,193</u>	<u>308,048</u>	<u>538,617</u>	<u>558,698</u>
9,150	14,971	9,150	14,971
907,853	820,172	1,023,720	919,095
-	-	-	-
-	-	-	-
<u>917,002</u>	<u>835,143</u>	<u>1,032,869</u>	<u>934,066</u>
\$ <u>1,201,195</u>	\$ <u>1,143,191</u>	\$ <u>1,571,486</u>	\$ <u>1,492,764</u>

MICHIGAN DEPARTMENT OF TRANSPORTATION
COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NON-MAJOR GOVERNMENTAL FUNDS- BY FUND TYPE
 FISCAL YEARS ENDED SEPTEMBER 30, 2013 and 2012
 (In Thousands)

	GOVERNMENTAL FUND TYPES			
	SPECIAL REVENUE		DEBT SERVICE	
	2013	2012	2013	2012
REVENUES				
Taxes	\$ 1,960,437	\$ 1,920,095	\$ -	\$ -
License and permits	32,930	31,842	-	-
Federal aid	226,927	55,780	-	-
Local participation	-	-	-	-
Interest earnings	235	218	1	4
Services	3,734	3,579	-	-
Non-operating revenue-bridges	-	-	-	-
Miscellaneous	3,399	1,437	-	-
Total Revenues	<u>2,227,662</u>	<u>2,012,950</u>	<u>1</u>	<u>4</u>
EXPENDITURES				
Administration and Operations:				
Administration and maintenance	13,982	19,475	1	4
Bus operating assistance grants	187,575	192,792	-	-
Other grants	1,182,106	967,848	-	-
Airport development	-	-	-	-
Non-operating expenditures-bridges	-	-	-	-
Trust fund construction activity	-	-	-	-
Capital lease payments	-	-	-	-
Costs of issuance	-	-	131	434
Bond principal retirement	-	-	110,416	107,997
Bond interest and fiscal charges	-	-	127,189	130,612
Total Administration and Operations	<u>1,383,662</u>	<u>1,180,115</u>	<u>237,738</u>	<u>239,046</u>
Capital Outlay:				
Roads and bridges	-	-	-	-
Other capital outlay	-	-	-	-
Total Capital Outlay	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>1,383,662</u>	<u>1,180,115</u>	<u>237,738</u>	<u>239,046</u>
Excess of Revenues Over (Under) Expenditures	<u>844,000</u>	<u>832,835</u>	<u>(237,737)</u>	<u>(239,043)</u>
OTHER FINANCING SOURCES				
Michigan Transportation Fund distribution	161,418	157,032	-	-
Grants and transfers from other funds	2,003	2,454	237,604	238,625
Capital Lease Acquisitions	-	-	-	-
Proceeds from sale of capital assets	-	-	-	-
Proceeds from bonds and notes issued	-	-	10,130	67,775
Premium on bonds issued	-	-	857	11,206
Total Other Financing Sources	<u>163,421</u>	<u>159,486</u>	<u>248,592</u>	<u>317,606</u>
OTHER FINANCING USES				
Michigan Transportation Fund distribution	769,134	749,505	-	-
Grants and transfers to other funds	202,788	202,247	-	-
Discount on bonds issued	-	-	-	-
Debt service	18,554	19,917	-	-
Payment to refunded bond escrow agent	-	-	10,855	78,563
Total Other Financing Uses	<u>990,476</u>	<u>971,669</u>	<u>10,855</u>	<u>78,563</u>
Excess of Other Financing Sources Over (Under) Other Financing Uses	<u>(827,056)</u>	<u>(812,184)</u>	<u>237,737</u>	<u>239,043</u>
Excess of Revenue and Other Sources Over (Under) Expenditures and Other Uses	16,944	20,651	-	-
Fund balances-Beginning of fiscal year	98,923	78,272	-	-
Fund balances-End of fiscal year	<u>\$ 115,867</u>	<u>\$ 98,923</u>	<u>\$ -</u>	<u>\$ -</u>

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

CAPITAL PROJECTS		TOTALS	
2013	2012	2013	2012
\$ 115,026	\$ 5,027	\$ 2,075,463	\$ 1,925,121
17,522	17,922	50,452	49,763
1,202,711	1,217,443	1,429,639	1,273,223
22,193	17,382	22,193	17,382
797	801	1,033	1,023
4,150	3,785	7,884	7,363
3,501	3,263	3,501	3,263
<u>57,255</u>	<u>52,064</u>	<u>60,655</u>	<u>53,501</u>
<u>1,423,158</u>	<u>1,317,685</u>	<u>3,650,820</u>	<u>3,330,639</u>
501,242	464,543	515,224	484,022
-	-	187,575	192,792
119,858	142,829	1,301,964	1,110,678
83,133	110,210	83,133	110,210
3,340	3,118	3,340	3,118
259,185	247,875	259,185	247,875
633	460	633	460
-	-	131	434
-	-	110,416	107,997
-	-	127,189	130,612
<u>967,391</u>	<u>969,035</u>	<u>2,588,791</u>	<u>2,388,197</u>
919,389	954,096	919,389	954,096
10,788	14,148	10,788	14,148
<u>930,176</u>	<u>968,243</u>	<u>930,176</u>	<u>968,243</u>
<u>1,897,568</u>	<u>1,937,279</u>	<u>3,518,967</u>	<u>3,356,440</u>
<u>(474,410)</u>	<u>(619,594)</u>	<u>131,853</u>	<u>(25,801)</u>
607,717	592,473	769,134	749,505
216,594	230,426	456,201	471,504
1,061	-	1,061	-
1,075	274	1,075	274
-	90,980	10,130	158,755
-	10,574	857	21,780
<u>826,447</u>	<u>924,727</u>	<u>1,238,459</u>	<u>1,401,818</u>
-	-	769,134	749,505
51,127	50,622	253,915	252,869
-	-	-	-
219,051	218,707	237,604	238,625
-	-	10,855	78,563
<u>270,178</u>	<u>269,330</u>	<u>1,271,509</u>	<u>1,319,562</u>
<u>556,269</u>	<u>655,397</u>	<u>(33,050)</u>	<u>82,256</u>
81,859	35,804	98,803	56,455
835,143	799,339	934,066	877,611
<u>\$ 917,002</u>	<u>\$ 835,143</u>	<u>\$ 1,032,869</u>	<u>\$ 934,066</u>



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MICHIGAN DEPARTMENT OF TRANSPORTATION
NOTES TO FINANCIAL STATEMENTS
FISCAL YEAR ENDED SEPTEMBER 30, 2013

Note 1: Significant Accounting Policies

A. Reporting Entity

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

Special Revenue

Michigan Transportation Fund
Comprehensive Transportation Fund

Debt Service

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

Capital Projects

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

The funds above are a part of the State of Michigan reporting entity and are reported in the State of Michigan Comprehensive Annual Financial Report (SOMCAFR). The SOMCAFR provides general disclosures regarding summary of significant accounting policies, treasurer's common cash, pension benefits, compensated absences (annual leave and sick leave accumulations), general long-term obligations, interfund receivables and payables, contingencies, and commitments.

MICHIGAN DEPARTMENT OF TRANSPORTATION
NOTES TO FINANCIAL STATEMENTS
 FISCAL YEAR ENDED SEPTEMBER 30, 2013

B. Authorities not Included as Part of Reporting Entity

Mackinac Bridge Authority

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

Sault Ste. Marie Bridge Authority

The Michigan Department of Transportation (MDOT) and the St. Mary's River Bridge Company (SMRBC), a Canadian Corporation, share ownership of the International Bridge. The Sault Ste. Marie Bridge Authority (SSMBA) is an international non-profit entity with eight members, four from Michigan and four from Canada, created by an intergovernmental agreement to set policy and oversee bridge operations. The Agreement became effective September 1, 2009 and shall remain in effect until September 30, 2017, and is automatically renewed for successive ten-year periods thereafter unless, one year prior to the renewal date, an Owner gives written notice to the other Owner that it elects not to renew the Agreement. The Agreement is subject to written notice of cancellation upon one year written notice by MDOT or the SMRBC.

The International Bridge Administration (IBA) is a special administrative entity within MDOT created to carry out the policy decisions of the SSMBA, and under the direction and supervision of MDOT, to enter into contracts to manage and operate the bridge on a daily basis. The IBA is made up of MDOT employees who are responsible for the administration, operation, repair, and improvement of the International Bridge. Revenue from bridge tolls covers the expenses of the IBA.

The SSMBA issues its own audited financial statements and is not included as part of these statements. The SSMBA is not considered a component unit of the State of Michigan and is not included in the SOMCAFR. A Summary of the financial information for the SSMBA for fiscal year ending December 31, 2012 and fiscal year ending December 31, 2011 follows (In Thousands):

	<u>December 31, 2012</u>	<u>December 31, 2011</u>
Assets	\$17,715	\$9,421
Liabilities	7,542	1,930
Total Equity	10,173	7,491
Total Revenues and Other Sources	8,778	8,066
Total Expenditures and Other Uses	6,096	6,181
Excess of Revenues and Other Sources		
Over (Under) Expenditures and Other Uses	\$2,682	\$1,886

MICHIGAN DEPARTMENT OF TRANSPORTATION
NOTES TO FINANCIAL STATEMENTS
FISCAL YEAR ENDED SEPTEMBER 30, 2013

C. Basis of Presentation

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

Governmental Fund Types

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

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

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

D. Basis of Accounting

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

E. Calculation Practice

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

MICHIGAN DEPARTMENT OF TRANSPORTATION
NOTES TO FINANCIAL STATEMENTS
 FISCAL YEAR ENDED SEPTEMBER 30, 2013

Note 2: Equity in Common Cash

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

MDOT’s common cash balances were as follows (in thousands) as of September 30:

	<u>Special Revenue Funds</u>		<u>Debt Service Funds</u>		<u>Capital Projects Funds</u>	
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
Equity in Common Cash	\$203,512	\$207,694	\$14	\$ -	\$875,120	\$755,893

The balances for the special revenue funds averaged approximately \$220.4 million and \$212.2 million and the balances for the capital projects funds averaged approximately \$681.3 million and \$704.7 million during fiscal years 2013 and 2012, respectively.

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

MICHIGAN DEPARTMENT OF TRANSPORTATION
NOTES TO FINANCIAL STATEMENTS
 FISCAL YEAR ENDED SEPTEMBER 30, 2013

Note 3: Current Receivables

A. Contested Receivables

Current receivables recorded in the financial statements represent amounts due to the Department as of September 30, 2013 and 2012, and are expected to be collected within 12 months. Receivables not due for collection within 12 months are classified as noncurrent assets with an offsetting deferred revenue. Due to the uncertainty associated with contested receivables in litigation or pending litigation, these receivables are recorded in an allowance for doubtful accounts, with the net amount reported in the financial statements. Receivables referred to Treasury for collection will no longer be classified as a receivable with a corresponding entry to allowance for doubtful accounts, but will instead be written-off as uncollectible at the time of referral.

	<u>Contested Receivables</u>	
	(In Thousands)	
	<u>2013</u>	<u>2012</u>
State Aeronautics Fund	\$ 2,305	\$ 105
State Trunkline Fund	428	454
Comprehensive Transportation Fund	<u>-</u>	<u>4</u>
Total Allowance for Doubtful Accounts	<u>\$2,734</u>	<u>\$ 563</u>

B. Taxes Receivable

In the Michigan Transportation Fund, the net amount of current receivables, \$145.1 million and \$147.4 million, and allowances for uncollectible receivables, \$51.1 million and \$52.5 million, were recorded for motor fuel taxes due to the fund as of September 30, 2013 and 2012, respectively. The reporting of a gross receivable net of a related allowance for uncollectible accounts is consistent with the treatment of other taxes receivable reported in the SOMCAFR.

C. Federal Highway Administration (FHWA) Receivable

The Department recorded federal aid receivables in the State Trunkline Fund, State Trunkline Bond Proceeds Fund, and Transportation Related Trust Fund totaling \$201.2 million and \$230.4 million for the fiscal years ending September 30, 2013 and 2012, respectively. No noncurrent federal aid receivables were recorded for the fiscal years ending September 30, 2013 and 2012.

MICHIGAN DEPARTMENT OF TRANSPORTATION
NOTES TO FINANCIAL STATEMENTS
 FISCAL YEAR ENDED SEPTEMBER 30, 2013

Note 4: Capital Assets

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

Classification: The following tables summarize, by major class of asset, fiscal year 2013 changes in reported costs for the Department's capital assets (In Millions):

	Changes in Capital Assets Fiscal Year 2013				
	Beginning Balance	Additions	Deletions	Adjustments	Ending Balance
<u>Capital assets, not depreciated:</u>					
Roads	\$11,336.7	\$350.4	(\$59.6)	\$31.5	\$11,659.0
Land	3,009.5	7.2	-	-	3,016.7
Bridges	1,968.3	178.0	(59.0)	9.2	2,096.5
Construction in Progress	2,046.2	386.0	(717.3)	(42.1)	1,672.8
Land Rights	0.2	-	-	-	0.2
<u>Capital assets, depreciated:</u>					
Ramps	719.7	175.7	(0.5)	-	894.8
Equipment	131.9	8.4	(4.7)	1.2	136.8
Buildings	177.0	5.2	-	-	182.2
Railroads	32.5	141.2	-	-	173.7
Rest Areas & Welcome Centers	105.4	3.0	(0.4)	-	108.0
Land Improvements	20.4	10.6	-	-	31.0
Airports	1.6	-	-	-	1.6
<u>Less accumulated depreciation for:</u>					
Ramps	(493.6)	(32.3)	0.5	-	(525.4)
Equipment	(89.8)	(5.7)	4.0	(0.5)	(92.0)
Buildings	(72.0)	(4.7)	-	-	(76.7)
Railroads	(25.1)	(2.6)	-	-	(27.7)
Rest Areas & Welcome Centers	(35.8)	(2.5)	0.4	-	(37.9)
Land Improvements	(3.3)	(1.2)	-	-	(4.5)
Airports	(0.8)	(0.1)	-	-	(0.9)
Total Capital Assets	<u>\$18,828.8</u>	<u>\$1,216.8</u>	<u>(\$836.6)</u>	<u>(\$0.8)</u>	<u>\$19,208.2</u>

MICHIGAN DEPARTMENT OF TRANSPORTATION
NOTES TO FINANCIAL STATEMENTS
FISCAL YEAR ENDED SEPTEMBER 30, 2013

Funding Source: Following is a summary of funding sources for investments in capital assets as of September 30, 2013 (In Millions):

<u>Fund</u>	<u>Investment</u>
State Trunkline Fund	\$ 19,027.8
Comprehensive Transportation Fund	158.9
State Aeronautics Fund	<u>21.5</u>
Total Investment in Capital Assets	<u>\$ 19,208.2</u>

MICHIGAN DEPARTMENT OF TRANSPORTATION
NOTES TO FINANCIAL STATEMENTS
 FISCAL YEAR ENDED SEPTEMBER 30, 2013

Note 5: General Long-Term Obligations

A. Revenue Dedicated Bonded Debt

The Department has periodically issued long-term bonds for specific purposes, with the pledge that financing of debt requirements is to come strictly from designated revenue sources, including State Trunkline Funds (STF), Comprehensive Transportation Funds (CTF) and federal grants. The State of Michigan's general credit does not support such issues. Public Act 51 of 1951, as amended, provides that monies deposited in the STF and/or the CTF are appropriated for specific purposes, with debt service being the first priority. A sufficient portion of the STF and the CTF is appropriated to pay, when due, the principal of and interest outstanding on bonds and notes. The STF Series 1992 A and B bond issues included capital appreciation bonds (zero coupon bonds) that matured in the year 2013.

Revenue Dedicated Bonded Debt Department of Transportation (In Thousands)						
	Amounts Issued	<u>Outstanding</u>		Maturities		Average Interest Rate %
		<u>9/30/13</u>	<u>9/30/12</u>	<u>First Year</u>	<u>Last Year</u>	
<u>Comprehensive Transportation Fund Bonds:</u>						
Series 2003	\$ 35,020	\$ -	\$ 12,325	2004	2023	3.61
Series 2005 (Refunding)	62,180	58,070	62,175	2009	2023	5.15
Series 2006 and Refunding	53,685	40,665	46,110	2007	2031	4.54
Series 2009 (Refunding)	42,335	38,780	40,625	2012	2019	4.11
Series 2011 (Refunding)	18,470	17,650	18,470	2013	2022	4.35
Series 2013 (Refunding)	<u>10,130</u>	<u>10,130</u>	<u>-</u>	2014	2023	4.67
Total Comprehensive Transportation Fund Bonds:	\$ 221,820	\$ 165,295	\$ 179,705			
<u>State Trunkline Fund Bonds:</u>						
Series 1992 A	\$ 253,618	\$ -	\$ 12,095	2000	2013	5.76
Series 1992 B (Refunding)	99,592	-	1,600	2000	2013	5.68
Series 1998 A (Refunding)	377,890	169,965	182,725	2006	2019	5.03
Series 2004 (Refunding)	103,450	90,510	98,210	2006	2022	4.13
Series 2004	185,710	20,785	35,605	2008	2019	4.36
Series 2005 (Refunding)	223,020	223,015	223,015	2010	2023	5.10
Series 2005 B (Refunding)	378,250	248,205	283,135	2010	2019	4.81
Series 2006	244,525	167,410	181,840	2008	2022	4.74
Series 2009 and Refunding	146,190	146,190	146,190	2018	2027	4.76
Series 2011	90,980	90,980	90,980	2014	2037	4.58
Series 2012 (Refunding)	49,305	49,305	49,305	2014	2022	4.78
Total State Trunkline Fund Bonds:	\$ 2,152,530	\$ 1,206,365	\$ 1,304,700			
<u>Grant Anticipation Bonds:</u>						
Series 2007	\$ 485,115	\$ 451,505	\$ 459,550	2009	2027	4.87
Series 2009 B Taxable Build America Bonds	<u>281,910</u>	<u>281,905</u>	<u>281,905</u>	2012	2027	7.63
Total Grant Anticipation Bonds:	\$ 767,025	\$ 733,410	\$ 741,455			
 Total Revenue Dedicated Bonded Debt	 \$ <u>3,141,375</u>	 \$ <u>2,105,070</u>	 \$ <u>2,225,860</u>			

MICHIGAN DEPARTMENT OF TRANSPORTATION
NOTES TO FINANCIAL STATEMENTS
 FISCAL YEAR ENDED SEPTEMBER 30, 2013

Advance Refunding and Defeasance

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

The following table summarizes the defeased bonds outstanding at September 30, 2013 and 2012:

Summary of Refunding Transactions
 (In Millions)

<u>Bond Series</u>	<u>Amount</u> <u>Refunded</u>	<u>Balance with Trustee</u>	
		<u>2013</u>	<u>2012</u>
<u>State Trunkline Fund Bonds</u>			
Series 2002	\$ 56.2	\$ -	\$ 56.2
Series 2004	<u>85.2</u>	<u>85.2</u>	<u>85.2</u>
Total State Trunkline Fund Bonds	<u>\$141.5</u>	<u>\$ 85.2</u>	<u>\$141.5</u>
<u>Comprehensive Transportation Fund Bonds</u>			
Series 2003	\$ 22.1	\$ -	\$ 9.9
Total Comprehensive Transportation Fund Bonds	<u>\$ 22.1</u>	<u>\$ -</u>	<u>\$ 9.9</u>
Total	<u>\$163.6</u>	<u>\$ 85.2</u>	<u>\$151.3</u>

**MICHIGAN DEPARTMENT OF TRANSPORTATION
NOTES TO FINANCIAL STATEMENTS
FISCAL YEAR ENDED SEPTEMBER 30, 2013**

C. Debt Service Requirements

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

FISCAL YEARS ENDING SEPTEMBER 30	STATE TRUNKLINE FUND			COMPREHENSIVE TRANSPORTATION FUND			GRANT ANTICIPATION BONDS			COMBINED TOTAL		
	PRINCIPAL	INTEREST	TOTAL	PRINCIPAL	INTEREST	TOTAL	PRINCIPAL	INTEREST	TOTAL	PRINCIPAL	INTEREST	TOTAL
2014	\$106,505	\$59,170	\$165,675	\$14,535	\$7,877	\$22,412	\$8,450	\$44,985	\$53,435	\$129,490	\$112,032	\$241,522
2015	112,480	53,381	165,861	15,860	7,348	23,208	8,655	44,595	53,250	136,995	105,323	242,318
2016	118,220	47,604	165,824	16,525	6,675	23,200	9,075	44,215	53,290	143,820	98,494	242,314
2017	124,360	41,462	165,822	17,350	5,895	23,245	9,515	43,776	53,291	151,225	91,133	242,358
2018	130,430	35,371	165,801	18,240	5,002	23,242	9,990	43,325	53,315	158,660	83,699	242,359
2019	136,895	28,872	165,767	19,105	4,117	23,222	10,545	42,801	53,346	166,545	75,789	242,334
2020	98,630	21,658	120,288	11,545	3,165	14,710	56,390	42,247	98,637	166,565	67,071	233,636
2021	99,850	16,596	116,446	12,150	2,565	14,715	33,375	39,287	72,662	145,375	58,448	203,823
2022	105,090	11,323	116,413	12,785	1,934	14,719	35,160	37,535	72,695	153,035	50,792	203,827
2023	79,025	6,644	85,669	2,680	1,308	3,988	45,500	35,689	81,189	127,205	43,640	170,845
2024	15,295	4,286	19,581	2,770	1,226	3,996	109,950	33,300	143,250	128,015	38,812	166,827
2025	16,070	3,510	19,580	2,910	1,088	3,998	117,220	26,034	143,254	136,200	30,631	166,831
2026	6,220	2,962	9,182	3,055	942	3,997	135,375	18,271	153,646	144,650	22,175	166,825
2027	6,535	2,647	9,182	3,210	789	3,999	144,210	9,434	153,644	153,955	12,869	166,824
2028	4,035	2,386	6,421	3,370	629	3,999	-	-	-	7,405	3,014	10,419
2029	4,240	2,179	6,419	3,535	460	3,995	-	-	-	7,775	2,639	10,414
2030	4,455	1,961	6,416	3,715	284	3,999	-	-	-	8,170	2,245	10,415
2031	4,685	1,733	6,418	1,955	98	2,053	-	-	-	6,640	1,831	8,471
2032	4,925	1,493	6,418	-	-	-	-	-	-	4,925	1,493	6,418
2033	5,150	1,267	6,417	-	-	-	-	-	-	5,150	1,267	6,417
2034	5,390	1,029	6,419	-	-	-	-	-	-	5,390	1,029	6,419
2035	5,665	752	6,417	-	-	-	-	-	-	5,665	752	6,417
2036	5,955	462	6,417	-	-	-	-	-	-	5,955	462	6,417
2037	6,260	157	6,417	-	-	-	-	-	-	6,260	157	6,417
TOTAL	\$1,206,365	\$348,902	\$1,555,267	\$165,295	\$51,400	\$216,695	\$733,410	\$505,493	\$1,238,903	\$2,105,070	\$905,796	\$3,010,866

C. Other General Long-Term Obligations

Capital Leases:

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

Compensated Absences:

Compensated absences liabilities are detailed in Note 7.

Claims and Judgments:

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

MICHIGAN DEPARTMENT OF TRANSPORTATION
NOTES TO FINANCIAL STATEMENTS
 FISCAL YEAR ENDED SEPTEMBER 30, 2013

Changes in General Long-term Obligations:

Changes in general long-term obligations (In Thousands) for the fiscal years ended September 30, 2013 and 2012 are summarized as follows:

	Revenue Dedicated Debt - Oversight Entity		Capital Lease Obligations	
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
Bonds and Capital Lease Obligations:				
Balance – Beginning	\$ 2,225,860	\$ 2,260,840	\$ 1,272	\$ 1,505
New bond issues/capital lease additions and adjustments	10,130	158,755	1,061	-
Accretion on Capital Appreciation Bonds	-	830	-	-
Bond principal retirements/ capital lease payments and adjustments	<u>(130,920)</u>	<u>(194,565)</u>	<u>(350)</u>	<u>(233)</u>
Balance – Ending	<u>\$ 2,105,070</u>	<u>\$ 2,225,860</u>	<u>\$ 1,984</u>	<u>\$ 1,272</u>

	Claims and Judgments		Compensated Absences Liabilities	
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
Other Obligations:				
Balance - Beginning	\$ 372	\$ 1,074	\$ 29,226	\$ 26,925
Net increase (decrease) in estimated liabilities	<u>52</u>	<u>(702)</u>	<u>440</u>	<u>2,301</u>
Balance - Ending	<u>\$ 424</u>	<u>\$ 372</u>	<u>\$ 29,666</u>	<u>\$ 29,226</u>

MICHIGAN DEPARTMENT OF TRANSPORTATION
NOTES TO FINANCIAL STATEMENTS
 FISCAL YEAR ENDED SEPTEMBER 30, 2013

Note 6: Leases

The Department leases office facilities under noncancelable leasing arrangements. Most leases have cancellation clauses with one to six month notice requirements in the event that funding is not available. For reporting purposes, such cancellation clauses are not considered in the determination of whether a lease is cancelable because the likelihood that such clauses will be exercised is considered remote. Leases that are in the nature of acquisitions are classified as "capital" leases, therefore assets and liabilities are recorded at lease inception. Other leases are classified as "operating" leases, and these are treated as rent commitments rather than acquisitions.

Actual rental expenditures incurred under operating leases totaled \$363,353 and \$716,358 during fiscal years 2013 and 2012, respectively.

Summary of the noncancelable operating and capital leasing commitments to maturity for fiscal year 2013 follows (In Thousands):

Noncancelable Lease Commitments As of September 30, 2013					
Fiscal Year Ended <u>September 30</u>	Operating <u>Leases</u>	<u>Capital Leases</u>			<u>Total</u>
		<u>Principal</u>	<u>Interest</u>	<u>Executory</u>	
2014	\$ 35	\$ 450	\$ 270	\$ 276	\$ 995
2015	-	460	217	269	947
2016	-	360	162	215	737
2017	-	236	133	158	527
2018	-	171	105	123	399
<u>2019 - 2023</u>	<u>-</u>	<u>306</u>	<u>238</u>	<u>233</u>	<u>777</u>
Total	<u>\$ 35</u>	<u>\$ 1,984</u>	<u>\$ 1,125</u>	<u>\$ 1,274</u>	<u>\$ 4,382</u>

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

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

The historical cost of assets acquired under capital leases, which are included in the government-wide statements of the SOMCAFR, at September 30, 2013 and 2012 follows (In Thousands):

	<u>2013</u>	<u>2012</u>
Buildings	\$3,177	\$2,115

MICHIGAN DEPARTMENT OF TRANSPORTATION
NOTES TO FINANCIAL STATEMENTS
 FISCAL YEAR ENDED SEPTEMBER 30, 2013

Note 7: Employee Benefits - Retirement and Compensated Absences

A. Retirement and Other Postemployment Benefit Contributions

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

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

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

	<u>2013</u>	<u>2012</u>
State Trunkline Fund	\$76,366	\$63,072
Comprehensive Transportation Fund	2,000	1,699
State Aeronautics Fund	1,489	1,525
Blue Water Bridge	<u>1,052</u>	<u>809</u>
 Total Department of Transportation Contributions	 <u>\$80,906</u>	 <u>\$67,104</u>

B. Compensated Absences

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

MICHIGAN DEPARTMENT OF TRANSPORTATION
NOTES TO FINANCIAL STAMENTS
 FISCAL YEAR ENDED SEPTEMBER 30, 2013

The following table summarizes Department of Transportation related compensated absences liabilities as of September 30, 2013 and 2012 (In Thousands):

	<u>Sick Leave</u>		<u>Annual Leave</u>		<u>Banked Leave</u>		<u>Total</u>	
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
State Trunkline Fund	\$3,964	\$4,189	\$19,314	\$18,550	\$4,405	\$4,607	\$27,683	\$27,346
Comprehensive Transportation Fund	173	155	576	530	199	188	948	873
State Aeronautics Fund	266	261	436	406	124	128	827	795
Blue Water Bridge	<u>40</u>	<u>39</u>	<u>144</u>	<u>145</u>	<u>25</u>	<u>29</u>	<u>209</u>	<u>212</u>
TOTAL	<u>\$4,443</u>	<u>\$4,642</u>	<u>\$20,469</u>	<u>\$19,631</u>	<u>\$4,754</u>	<u>\$4,953</u>	<u>\$29,666</u>	<u>\$29,226</u>

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

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

MICHIGAN DEPARTMENT OF TRANSPORTATION
NOTES TO FINANCIAL STATEMENTS
 FISCAL YEAR ENDED SEPTEMBER 30, 2013

Note 8: Interfund Transactions by the Michigan Transportation Fund

MDOT's most significant interfund transaction is the distribution of Michigan Transportation Fund (MTF) revenues to the State Trunkline Fund (STF) and Comprehensive Transportation Fund (CTF). This distribution is in accordance with section 247.660 of Public Act 51 of 1951, as amended.

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

CTF receives ten percent of the remaining balance from MTF. After CTF's balance is distributed, additional deductions are taken for the Local Bridge program, the Economic Development program, and the Local Road program. Three of the four cents a gallon that MTF receives for gasoline taxes is then added to the total. The remaining penny is dedicated to bridge repair and is distributed evenly between STF and the Local Bridge fund. STF receives 39.1 percent of the remaining balance.

Other transactions from MTF are also required by P.A. 51 of 1951, or the current year's appropriation bill. See the table below for MTF's interfund transactions in fiscal years 2013 and 2012 (In Thousands).

<u>Interfund Transactions</u>	<u>2013</u>	<u>2012</u>
MTF Distribution – STF	\$607,746	\$592,473
MTF Distribution – CTF	161,432	157,032
Other State agencies	40,480	45,780
Debt Service	43,000	43,000
Economic Development Program	40,275	40,275
Local Road Program	33,000	33,000
Local Bridge Fund	29,806	30,054
Transportation Planning	7,708	7,875
Design and Engineering Services	5,646	4,507
Rail Grade Crossing Program	3,000	3,000
Freight and Safety Services	1,510	1,568
Finance, Contracts and Support Services	1,686	1,977
Enhancement Program	<u>301</u>	<u>190</u>
Total	<u>\$975,590</u>	<u>\$960,730</u>

MICHIGAN DEPARTMENT OF TRANSPORTATION
NOTES TO FINANCIAL STATEMENTS
FISCAL YEAR ENDED SEPTEMBER 30, 2013

Note 9: Component Unit - Mackinac Bridge Authority

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

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

The Authority repaid \$12,750,000 between fiscal years 1993 and 2013 to the Michigan Transportation Fund. These repayments come directly from the revenue generated by bridge tolls and are not included as a financing use of the State Trunkline Fund. A balance of \$50,250,000 is owed to the Michigan Transportation Fund and a balance of \$12,306,172 is owed to the State Trunkline Fund.

For the fiscal year ended September 30, 2013, a current receivable of \$2,467,818.57 is recorded in the State Trunkline Fund's balance sheet as an amount due from component units for the authority's reimbursement of payroll and related expenses. An accounts payable due to the Department is recorded in the Authority's balance sheet.

MICHIGAN DEPARTMENT OF TRANSPORTATION
NOTES TO FINANCIAL STATEMENTS
FISCAL YEAR ENDED SEPTEMBER 30, 2013

Note 10: Contingencies and Commitments

A. Litigation

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

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

B. Federal Grants

Federal revenues are generally subject to review and audit by grantor agencies or their designees. Such audits could lead to a request for reimbursement to the grantor agencies for expenditures disallowed under the terms of the grant. As of September 30, 2013 and 2012 the Department estimates the disallowance of recognized revenues will not be material to the financial statements.

C. Commitments and Encumbrances

The Department has construction and consultant commitments that will be paid with transportation related funds. As of September 30, 2013 and 2012 the balances remaining on these contracts equaled \$708.0 million and \$542.8 million, respectively. Portions of these balances, \$89.5 million as of September 30, 2013, and \$81.0 million, as of September 30, 2012, have been encumbered. As of September 30, 2013 and 2012, the balances remaining on these contracts, less the Transportation Related Trust Funds equaled \$610.4 million and \$442.3 million, respectively. As of September 30, 2013 and 2012, the balances remaining on these contracts in the State Trunkline Fund equaled \$501.9 million and \$393.1 million, respectively.

MICHIGAN DEPARTMENT OF TRANSPORTATION
NOTES TO FINANCIAL STATEMENTS
FISCAL YEAR ENDED SEPTEMBER 30, 2013

D. Advance Construction

Under an agreement with FHWA, the Department has, over a period of years, qualified a number of construction projects without placing them under a reimbursement agreement. These deferred federal aid projects may be converted to current reimbursement at the option of the Department, provided that there are adequate federal aid allocations. The arrangement was worked out between the states and the federal government so that the states could obtain federal reimbursement not received during the construction period, in case a relatively greater amount of federal aid became available at some later date or to assist in balancing the federal aid from year to year. At the end of fiscal year 2012, the Department had \$532.4 million of State Trunkline expenditures on projects not under a reimbursement agreement. \$170.1 million of these expenditures were placed under a reimbursement agreement by the end of fiscal year 2013. The remaining \$362.3 million is included in the fiscal year 2013 amount below. At the end of fiscal year 2013, the Department had \$421.7 million of State Trunkline expenditures on projects not under a reimbursement agreement.

MICHIGAN DEPARTMENT OF TRANSPORTATION
NOTES TO FINANCIAL STATEMENTS
FISCAL YEAR ENDED SEPTEMBER 30, 2013

Note 11: Subsequent Events

None.



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FUND DESCRIPTIONS

**COMBINING FINANCIAL STATEMENTS
AND
SCHEDULES**

MICHIGAN DEPARTMENT OF TRANSPORTATION
DESCRIPTIONS OF SPECIAL REVENUE FUNDS
FISCAL YEAR ENDED SEPTEMBER 30, 2013

MICHIGAN TRANSPORTATION FUND

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

COMPREHENSIVE TRANSPORTATION FUND

The Comprehensive Transportation Fund was created for the purpose of planning, developing and funding public transportation systems within the State. It was created by Public Acts 326, 327, and 328 of 1972, and Public Act 197 of 1973. In 1975, Public Acts 195, 196, and 239 were enacted, providing further additions and amendments to the laws governing this fund. Fund revenues consist primarily of federal revenues, a portion of vehicle-related sales tax, and transfers from the Michigan Transportation Fund. Expenditures and transfers are for administration, transit and intercity bus operating and capital assistance, debt service, and rail freight services and safety programs. In accordance with statutory provisions, any unencumbered balance at fiscal year end lapses and reverts to the fund for appropriation in the following fiscal year.



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MICHIGAN DEPARTMENT OF TRANSPORTATION
COMBINING BALANCE SHEET - SPECIAL REVENUE FUNDS
 SEPTEMBER 30, 2013 and 2012
 (In Thousands)

	MICHIGAN TRANSPORTATION FUND		COMPREHENSIVE TRANSPORTATION FUND		TOTALS	
	2013	2012	2013	2012	2013	2012
ASSETS						
Current Assets:						
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ 14	\$ -	\$ 14
Equity in Common Cash	109,071	118,018	94,441	89,675	203,512	207,694
Receivables:						
Taxes, interest, and penalties (at net)	93,938	94,868	-	-	93,938	94,868
Federal aid	-	-	57,836	21,996	57,836	21,996
Local units	-	-	876	882	876	882
Other funds	-	-	9,621	19,224	9,621	19,224
Component Units	-	-	-	-	-	-
Other Current Assets	17	4	267	115	284	120
Inventories	-	-	-	-	-	-
Total Current Assets	<u>203,025</u>	<u>212,890</u>	<u>163,040</u>	<u>131,907</u>	<u>366,065</u>	<u>344,797</u>
Noncurrent Assets:						
Receivables:						
Taxes	2,547	2,398	-	-	2,547	2,398
Federal aid	-	-	-	-	-	-
Local units	-	-	1,296	1,864	1,296	1,864
Advances to other funds	-	-	-	-	-	-
Land contracts	-	-	-	-	-	-
Miscellaneous	-	-	368	514	368	514
Total Noncurrent Assets	<u>2,547</u>	<u>2,398</u>	<u>1,665</u>	<u>2,378</u>	<u>4,212</u>	<u>4,776</u>
Total Assets	<u>\$ 205,572</u>	<u>\$ 215,288</u>	<u>\$ 164,705</u>	<u>\$ 134,285</u>	<u>\$ 370,277</u>	<u>\$ 349,573</u>
LIABILITIES AND FUND BALANCES						
Current Liabilities:						
Warrants outstanding	\$ 666	\$ 926	\$ 245	\$ 198	\$ 911	\$ 1,124
Accounts payable	180,221	187,490	46,904	28,510	227,125	216,001
Contract reserve payable	-	-	-	-	-	-
Amounts due to other funds	13,637	18,096	81	48	13,718	18,144
Amounts held for others	-	-	808	5,130	808	5,130
Deferred revenue	8,500	6,378	317	792	8,817	7,170
Total Current Liabilities	<u>203,025</u>	<u>212,890</u>	<u>48,355</u>	<u>34,678</u>	<u>251,380</u>	<u>247,569</u>
Long-Term Liabilities:						
Deferred revenue	2,547	2,398	483	684	3,030	3,081
Advances from other funds	-	-	-	-	-	-
Total Liabilities	<u>205,572</u>	<u>215,288</u>	<u>48,838</u>	<u>35,362</u>	<u>254,410</u>	<u>250,650</u>
Fund Balances:						
Nonspendable	-	-	-	-	-	-
Restricted	-	-	115,867	98,923	115,867	98,923
Committed	-	-	-	-	-	-
Assigned	-	-	-	-	-	-
Total Fund Balances	<u>-</u>	<u>-</u>	<u>115,867</u>	<u>98,923</u>	<u>115,867</u>	<u>98,923</u>
Total Liabilities and Fund Balances	<u>\$ 205,572</u>	<u>\$ 215,288</u>	<u>\$ 164,705</u>	<u>\$ 134,285</u>	<u>\$ 370,277</u>	<u>\$ 349,573</u>

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
SPECIAL REVENUE FUNDS
FISCAL YEARS ENDED SEPTEMBER 30, 2013 and 2012
(In Thousands)

	MICHIGAN TRANSPORTATION FUND		COMPREHENSIVE TRANSPORTATION FUND		TOTALS	
	2013	2012	2013	2012	2013	2012
REVENUES						
Taxes	\$ 1,857,467	\$ 1,821,994	\$ 102,970	\$ 98,101	\$ 1,960,437	\$ 1,920,095
License and permits	32,346	31,397	584	445	32,930	31,842
Federal aid	-	-	226,927	55,780	226,927	55,780
Local participation	-	-	-	-	-	-
Interest earnings on common cash	153	161	82	57	235	218
Services	3,734	3,579	-	-	3,734	3,579
Non-operating revenue-bridges	-	-	-	-	-	-
Miscellaneous	500	500	2,899	937	3,399	1,437
Total Revenues	<u>1,894,200</u>	<u>1,857,630</u>	<u>333,462</u>	<u>155,320</u>	<u>2,227,662</u>	<u>2,012,950</u>
EXPENDITURES						
Administration and Operations:						
Administration and maintenance	4,169	11,269	9,813	8,206	13,982	19,475
Bus operating assistance grants	-	-	187,575	192,792	187,575	192,792
Other grants	918,740	895,272	263,366	72,577	1,182,106	967,848
Airport development	-	-	-	-	-	-
Non-operating expenditures-bridges	-	-	-	-	-	-
Trust fund construction activity	-	-	-	-	-	-
Capital lease payments	-	-	-	-	-	-
Total Administration and Operations	<u>922,909</u>	<u>906,540</u>	<u>460,753</u>	<u>273,575</u>	<u>1,383,662</u>	<u>1,180,115</u>
Capital Outlay:						
Roads and bridges	-	-	-	-	-	-
Other capital outlay	-	-	-	-	-	-
Total Capital Outlay	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>922,909</u>	<u>906,540</u>	<u>460,753</u>	<u>273,575</u>	<u>1,383,662</u>	<u>1,180,115</u>
Excess of Revenues Over (Under) Expenditures	<u>971,290</u>	<u>951,090</u>	<u>(127,290)</u>	<u>(118,255)</u>	<u>844,000</u>	<u>832,835</u>
OTHER FINANCING SOURCES						
Michigan Transportation Fund distribution	-	-	161,418	157,032	161,418	157,032
Grants and transfers from other funds	479	530	1,524	1,924	2,003	2,454
Capital Lease Acquisitions	-	-	-	-	-	-
Proceeds from sale of capital assets	-	-	-	-	-	-
Proceeds from bonds and notes issued	-	-	-	-	-	-
Premium on bonds issued	-	-	-	-	-	-
Total Other Financing Sources	<u>479</u>	<u>530</u>	<u>162,942</u>	<u>158,956</u>	<u>163,421</u>	<u>159,486</u>
OTHER FINANCING USES						
Michigan Transportation Fund distribution	769,134	749,505	-	-	769,134	749,505
Grants and transfers to other funds	202,635	202,115	153	132	202,788	202,247
Discount on bonds issued	-	-	-	-	-	-
Debt service	-	-	18,554	19,917	18,554	19,917
Total Other Financing Uses	<u>971,769</u>	<u>951,620</u>	<u>18,707</u>	<u>20,049</u>	<u>990,476</u>	<u>971,669</u>
Excess of Other Financing Sources Over (Under) Other Financing Uses	<u>(971,290)</u>	<u>(951,090)</u>	<u>144,235</u>	<u>138,906</u>	<u>(827,056)</u>	<u>(812,184)</u>
Excess of Revenue and Other Sources Over (Under) Expenditures and Other Uses	<u>-</u>	<u>-</u>	<u>16,944</u>	<u>20,651</u>	<u>16,944</u>	<u>20,651</u>
Fund balances-Beginning of fiscal year	-	-	98,923	78,272	98,923	78,272
Fund balances-End of fiscal year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 115,867</u>	<u>\$ 98,923</u>	<u>\$ 115,867</u>	<u>\$ 98,923</u>

MICHIGAN DEPARTMENT OF TRANSPORTATION
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
SPECIAL REVENUE FUNDS
 FISCAL YEAR ENDED SEPTEMBER 30, 2013
 (In Thousands)

(Statutory/Budgetary Basis)	MICHIGAN TRANSPORTATION FUND		
	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
REVENUES			
Taxes	\$ 1,857,467	\$ 1,857,467	\$ -
License and permits	32,346	32,346	-
Federal aid	-	-	-
Local participation	-	-	-
Interest earnings	153	153	-
Services	3,734	3,734	-
Non-operating revenue-bridges	-	-	-
Miscellaneous and Service revenue	500	500	-
Total Revenues	<u>1,894,200</u>	<u>1,894,200</u>	<u>-</u>
EXPENDITURES AND ENCUMBRANCES			
Administration	4,321	4,169	152
Bus operating assistance grants	-	-	-
Other grants	918,740	918,740	-
Airport development	-	-	-
Nonoperating expenditure-bridges	-	-	-
Total Administration and Operations	<u>923,061</u>	<u>922,909</u>	<u>152</u>
Roads and bridges	-	-	-
Other capital outlay	-	-	-
Total Capital Outlay	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures and Encumbrances	<u>923,061</u>	<u>922,909</u>	<u>152</u>
Excess of Revenue Over (Under) Expenditures and Encumbrances	<u>971,139</u>	<u>971,290</u>	<u>152</u>
OTHER FINANCING SOURCES			
Michigan Transportation Fund distribution	-	-	-
Grants and transfers from other funds	479	479	-
Total Financing Sources	<u>479</u>	<u>479</u>	<u>-</u>
OTHER FINANCING USES			
Michigan Transportation Fund distribution	769,135	769,134	-
Grants and transfers to other funds	206,534	202,635	3,900
Debt service	-	-	-
Total Financing Uses	<u>975,669</u>	<u>971,769</u>	<u>3,900</u>
Excess Other Financing Sources Over(Under) Other Financing Uses	<u>(975,190)</u>	<u>(971,290)</u>	<u>3,900</u>
Excess of Revenue and Other Financing Sources Over(Under) Expenditures, Encumbrances and Other Financing Uses	<u>\$ (4,051)</u>	<u>-</u>	<u>\$ 4,051</u>
RECONCILING ITEMS			
Encumbrances at September 30		-	
Funds not annually budgeted		-	
Net Reconciling Items		<u>-</u>	
Excess of Revenue and Other Financing Sources Over(Under) Expenditures and Other Financing Uses (GAAP Basis)		<u>-</u>	
FUND BALANCES (GAAP BASIS)			
Beginning balance		-	
Ending balances (GAAP Basis)		<u>\$ -</u>	

COMPREHENSIVE TRANSPORTATION FUND			TOTALS		
BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
\$ 102,970	\$ 102,970	\$ -	\$ 1,960,437	\$ 1,960,437	\$ -
584	584	-	32,930	32,930	-
226,927	226,927	-	226,927	226,927	-
-	-	-	-	-	-
82	82	-	235	235	-
-	-	-	3,734	3,734	-
-	-	-	-	-	-
2,899	2,899	-	3,399	3,399	-
<u>333,462</u>	<u>333,462</u>	<u>-</u>	<u>2,227,662</u>	<u>2,227,662</u>	<u>-</u>
12,971	9,906	3,066	17,292	14,075	3,217
190,545	190,528	16	190,545	190,528	16
325,159	323,539	1,620	1,243,899	1,242,279	1,620
-	-	-	-	-	-
-	-	-	-	-	-
<u>528,675</u>	<u>523,973</u>	<u>4,703</u>	<u>1,451,736</u>	<u>1,446,882</u>	<u>4,854</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>528,675</u>	<u>523,973</u>	<u>4,703</u>	<u>1,451,736</u>	<u>1,446,882</u>	<u>4,854</u>
(195,213)	(190,510)	4,703	775,926	780,780	4,854
161,418	161,418	-	161,418	161,418	-
1,524	1,524	-	2,003	2,003	-
<u>162,942</u>	<u>162,942</u>	<u>-</u>	<u>163,421</u>	<u>163,421</u>	<u>-</u>
-	-	-	769,135	769,134	-
200	153	47	206,734	202,788	3,946
18,580	18,554	27	18,580	18,554	27
<u>18,780</u>	<u>18,707</u>	<u>73</u>	<u>994,449</u>	<u>990,476</u>	<u>3,973</u>
144,161	144,235	73	(831,029)	(827,056)	3,973
\$ <u>(51,052)</u>	<u>(46,276)</u>	\$ <u>4,776</u>	\$ <u>(55,103)</u>	<u>(46,276)</u>	\$ <u>8,827</u>
	63,220			63,220	
	-			-	
	<u>63,220</u>			<u>63,220</u>	
	16,944			16,944	
	98,923			98,923	
	\$ <u>115,867</u>			\$ <u>115,867</u>	

MICHIGAN DEPARTMENT OF TRANSPORTATION
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
SPECIAL REVENUE FUNDS
 FISCAL YEAR ENDED SEPTEMBER 30, 2012
 (In Thousands)

(Statutory/Budgetary Basis)	MICHIGAN TRANSPORTATION FUND		
	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
REVENUES			
Taxes	\$ 1,821,994	\$ 1,821,994	\$ -
License and permits	31,397	31,397	-
Federal aid	-	-	-
Local participation	-	-	-
Interest earnings	161	161	-
Services	3,579	3,579	-
Non-operating revenue-bridges	-	-	-
Miscellaneous and Service revenue	500	500	-
Total Revenues	<u>1,857,630</u>	<u>1,857,630</u>	<u>-</u>
EXPENDITURES AND ENCUMBRANCES			
Administration	11,908	11,269	639
Bus operating assistance grants	-	-	-
Other grants	896,616	895,272	1,344
Airport development	-	-	-
Nonoperating expenditure-bridges	-	-	-
Total Administration and Operations	<u>908,523</u>	<u>906,540</u>	<u>1,983</u>
Roads and bridges	-	-	-
Other capital outlay	-	-	-
Total Capital Outlay	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures and Encumbrances	<u>908,523</u>	<u>906,540</u>	<u>1,983</u>
Excess of Revenue Over (Under) Expenditures and Encumbrances	<u>949,107</u>	<u>951,090</u>	<u>1,983</u>
OTHER FINANCING SOURCES			
Michigan Transportation Fund distribution	-	-	-
Grants and transfers from other funds	530	530	-
Total Financing Sources	<u>530</u>	<u>530</u>	<u>-</u>
OTHER FINANCING USES			
Michigan Transportation Fund distribution	749,841	749,505	336
Grants and transfers to other funds	206,123	202,115	4,008
Debt service	-	-	-
Total Financing Uses	<u>955,964</u>	<u>951,620</u>	<u>4,344</u>
Excess Other Financing Sources Over(Under) Other Financing Uses	<u>(955,434)</u>	<u>(951,090)</u>	<u>4,344</u>
Excess of Revenue and Other Financing Sources Over(Under) Expenditures, Encumbrances and Other Financing Uses	<u>\$ (6,327)</u>	<u>-</u>	<u>\$ 6,327</u>
RECONCILING ITEMS			
Encumbrances at September 30		-	
Funds not annually budgeted		-	
Net Reconciling Items		<u>-</u>	
Excess of Revenue and Other Financing Sources Over(Under) Expenditures and Other Financing Uses (GAAP Basis)		<u>-</u>	
FUND BALANCES (GAAP BASIS)			
Beginning balance		-	
Ending balances (GAAP Basis)		<u>\$ -</u>	

COMPREHENSIVE TRANSPORTATION FUND			TOTALS		
BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
\$ 98,101	\$ 98,101	\$ -	\$ 1,920,095	\$ 1,920,095	\$ -
445	445	-	31,842	31,842	-
55,780	55,780	-	55,780	55,780	-
-	-	-	-	-	-
57	57	-	218	218	-
-	-	-	3,579	3,579	-
-	-	-	-	-	-
937	937	-	1,437	1,437	-
<u>155,320</u>	<u>155,320</u>	<u>-</u>	<u>2,012,950</u>	<u>2,012,950</u>	<u>-</u>
11,630	8,519	3,111	23,538	19,787	3,751
193,978	193,900	78	193,978	193,900	78
125,027	123,650	1,377	1,021,643	1,018,922	2,721
-	-	-	-	-	-
-	-	-	-	-	-
<u>330,635</u>	<u>326,069</u>	<u>4,566</u>	<u>1,239,158</u>	<u>1,232,609</u>	<u>6,549</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>330,635</u>	<u>326,069</u>	<u>4,566</u>	<u>1,239,158</u>	<u>1,232,609</u>	<u>6,549</u>
<u>(175,315)</u>	<u>(170,749)</u>	<u>4,566</u>	<u>773,792</u>	<u>780,341</u>	<u>6,549</u>
157,032	157,032	-	157,032	157,032	-
1,924	1,924	-	2,454	2,454	-
<u>158,956</u>	<u>158,956</u>	<u>-</u>	<u>159,486</u>	<u>159,486</u>	<u>-</u>
-	-	-	749,841	749,505	336
200	132	68	206,323	202,247	4,076
19,999	19,917	82	19,999	19,917	82
<u>20,199</u>	<u>20,049</u>	<u>150</u>	<u>976,163</u>	<u>971,669</u>	<u>4,494</u>
<u>138,757</u>	<u>138,906</u>	<u>150</u>	<u>(816,677)</u>	<u>(812,184)</u>	<u>4,494</u>
\$ <u>(36,559)</u>	<u>(31,843)</u>	\$ <u>4,716</u>	\$ <u>(42,886)</u>	<u>(31,843)</u>	\$ <u>11,043</u>
	52,494			52,494	
	-			-	
	<u>52,494</u>			<u>52,494</u>	
	<u>20,651</u>			<u>20,651</u>	
	<u>78,272</u>			<u>78,272</u>	
	\$ <u>98,923</u>			\$ <u>98,923</u>	

MICHIGAN DEPARTMENT OF TRANSPORTATION
DESCRIPTIONS OF CAPITAL PROJECTS FUNDS
FISCAL YEAR ENDED SEPTEMBER 30, 2013

STATE TRUNKLINE FUND

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

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

BLUE WATER BRIDGE FUND

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

STATE AERONAUTICS FUND

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

COMBINED STATE TRUNKLINE BOND PROCEEDS FUND

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

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

MICHIGAN DEPARTMENT OF TRANSPORTATION
DESCRIPTIONS OF CAPITAL PROJECTS FUNDS
FISCAL YEAR ENDED SEPTEMBER 30, 2013

COMBINED STATE TRUNKLINE BOND PROCEEDS FUND (continued)

2001 BUILD MICHIGAN III BOND PROCEEDS FUND

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

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

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

2009 STATE TRUNKLINE FUND BOND PROCEEDS FUND

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

MICHIGAN DEPARTMENT OF TRANSPORTATION
DESCRIPTIONS OF CAPITAL PROJECTS FUNDS
FISCAL YEAR ENDED SEPTEMBER 30, 2013

COMBINED STATE TRUNKLINE BOND PROCEEDS FUND (continued)

2011 STATE TRUNKLINE FUND BOND PROCEEDS FUND

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

COMBINED COMPREHENSIVE TRANSPORTATION BOND PROCEEDS FUND

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

2002 COMPREHENSIVE TRANSPORTATION FUND BOND PROCEEDS FUND

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

2003 COMPREHENSIVE TRANSPORTATION FUND BOND PROCEEDS FUND

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

MICHIGAN DEPARTMENT OF TRANSPORTATION
DESCRIPTIONS OF CAPITAL PROJECTS FUNDS
FISCAL YEAR ENDED SEPTEMBER 30, 2013

COMBINED COMPREHENSIVE TRANSPORTATION BOND PROCEEDS FUND
(continued)

2006 COMPREHENSIVE TRANSPORTATION FUND BOND PROCEEDS FUND

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

TRANSPORTATION RELATED TRUST FUND

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

The following sub-funds are included:

SPECIAL FEDERAL BRIDGE REPLACEMENT TRUST FUND

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

FEDERAL COUNTY ROAD TRUST FUND

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

FEDERAL URBAN TRANSPORTATION SYSTEM TRUST FUND

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

MICHIGAN DEPARTMENT OF TRANSPORTATION
DESCRIPTIONS OF CAPITAL PROJECTS FUNDS
FISCAL YEAR ENDED SEPTEMBER 30, 2013

TRANSPORTATION RELATED TRUST FUND (continued)

HIGHWAY TOPICS AND SAFETY PROGRAM TRUST FUND

This fund was established in conjunction with the Federal Highway Acts of 1968 and 1973. The fund accounts for federal and state money used to fund urban and road safety projects.

METROPOLITAN PLANNING FUND

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



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MICHIGAN DEPARTMENT OF TRANSPORTATION
COMBINING BALANCE SHEET - CAPITAL PROJECTS FUNDS
 SEPTEMBER 30, 2013 and 2012
 (In Thousands)

ASSETS	STATE TRUNKLINE FUND (excluding Blue Water Bridge Fund)		BLUE WATER BRIDGE FUND	
	2013	2012	2013	2012
Current Assets:				
Cash and cash equivalents	\$ 3	\$ 179	\$ 77	\$ 129
Equity in Common Cash	708,738	555,051	62,153	51,432
Receivables:				
Taxes, interest, and penalties (at net)	-	-	-	-
Federal aid	124,090	166,949	-	-
Local units	12,507	12,757	-	-
Other funds	10,620	14,092	-	-
Component Units	2,468	2,103	-	-
Other Current Assets	2,882	3,584	228	443
Inventories	9,150	14,959	-	-
Total Current Assets	870,458	769,673	62,458	52,004
Noncurrent Assets:				
Receivables:				
Taxes	-	-	-	-
Federal aid	-	-	-	-
Local units	25,644	27,446	-	-
Advances to other funds	-	-	-	-
Land contracts	33	295	-	-
Miscellaneous	30	60	-	-
Total Noncurrent Assets	25,706	27,800	-	-
Total Assets	\$ 896,164	\$ 797,473	\$ 62,458	\$ 52,004
LIABILITIES AND FUND BALANCES				
Current Liabilities:				
Warrants outstanding	\$ 1,018	\$ 1,084	\$ 1	\$ 11
Accounts payable	160,919	159,974	256	1,144
Contract reserve payable	361	1,004	-	-
Amounts due to other funds	3,136	1,882	41	26
Amounts held for others	3,396	6,558	-	-
Deferred revenue	3,601	6,906	1,277	1,271
Total Current Liabilities	172,431	177,408	1,575	2,451
Long-Term Liabilities:				
Deferred revenue	99	396	-	-
Advances from other funds	-	-	-	-
Total Liabilities	172,530	177,804	1,575	2,451
Fund Balances:				
Nonspendable	9,150	14,971	-	-
Restricted	714,484	604,698	60,883	49,554
Committed	-	-	-	-
Assigned	-	-	-	-
Total Fund Balances	723,634	619,669	60,883	49,554
Total Liabilities and Fund Balances	\$ 896,164	\$ 797,473	\$ 62,458	\$ 52,004

STATE AERONAUTICS FUND		COMBINED TRUNKLINE BOND PROCEEDS FUND		COMBINED COMPREHENSIVE TRANSPORTATION BOND PROCEEDS FUND	
2013	2012	2013	2012	2013	2012
\$ -	\$ 2	\$ -	\$ -	\$ -	\$ -
23,521	15,304	61,240	99,852	19,468	34,253
413	663	-	-	-	-
22,513	38,140	38,606	20,697	-	-
2,641	1,779	4,954	2,675	-	-
-	-	-	-	-	-
-	-	-	-	-	-
49	3	-	-	-	-
-	-	-	-	-	-
<u>49,136</u>	<u>55,891</u>	<u>104,800</u>	<u>123,225</u>	<u>19,468</u>	<u>34,253</u>
-	-	-	-	-	-
-	-	-	-	-	-
232	211	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>232</u>	<u>211</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
\$ <u>49,369</u>	\$ <u>56,101</u>	\$ <u>104,800</u>	\$ <u>123,225</u>	\$ <u>19,468</u>	\$ <u>34,253</u>
\$ 37	\$ 1,541	\$ -	\$ 124	\$ 13	\$ -
20,033	32,756	15,372	6,964	2,535	5,730
-	-	6	86	-	-
62	41	-	-	-	-
2,907	79	-	-	-	-
7	-	181	338	-	-
<u>23,045</u>	<u>34,418</u>	<u>15,559</u>	<u>7,511</u>	<u>2,548</u>	<u>5,730</u>
-	-	-	-	-	-
-	-	-	-	-	-
<u>23,045</u>	<u>34,418</u>	<u>15,559</u>	<u>7,511</u>	<u>2,548</u>	<u>5,730</u>
-	-	-	-	-	-
26,324	21,684	89,242	115,714	16,920	28,523
-	-	-	-	-	-
-	-	-	-	-	-
<u>26,324</u>	<u>21,684</u>	<u>89,242</u>	<u>115,714</u>	<u>16,920</u>	<u>28,523</u>
\$ <u>49,369</u>	\$ <u>56,101</u>	\$ <u>104,800</u>	\$ <u>123,225</u>	\$ <u>19,468</u>	\$ <u>34,253</u>

ASSETS	TRANSPORTATION RELATED TRUST FUND		TOTALS	
	2013	2012	2013	2012
Current Assets:				
Cash and cash equivalents	\$ -	\$ -	\$ 80	\$ 310
Equity in Common Cash	-	-	875,120	755,893
Receivables:				
Taxes, interest, and penalties (at net)	-	-	413	663
Federal aid	38,534	42,778	223,743	268,564
Local units	30,402	37,357	50,503	54,568
Other funds	-	-	10,620	14,092
Component Units	-	-	2,468	2,103
Other Current Assets	-	-	3,159	4,029
Inventories	-	-	9,150	14,959
Total Current Assets	<u>68,936</u>	<u>80,134</u>	<u>1,175,256</u>	<u>1,115,180</u>
Noncurrent Assets:				
Receivables:				
Taxes	-	-	-	-
Federal aid	-	-	-	-
Local units	-	-	25,876	27,656
Advances to other funds	-	-	-	-
Land contracts	-	-	33	295
Miscellaneous	-	-	30	60
Total Noncurrent Assets	<u>-</u>	<u>-</u>	<u>25,938</u>	<u>28,011</u>
Total Assets	\$ <u>68,936</u>	\$ <u>80,134</u>	\$ <u>1,201,195</u>	\$ <u>1,143,191</u>
LIABILITIES AND FUND BALANCES				
Current Liabilities:				
Warrants outstanding	\$ 19	\$ 279	\$ 1,087	\$ 3,039
Accounts payable	45,850	49,482	244,965	256,050
Contract reserve payable	24	122	391	1,211
Amounts due to other funds	6,603	15,220	9,842	17,168
Amounts held for others	16,440	15,032	22,743	21,669
Deferred revenue	-	-	5,067	8,515
Total Current Liabilities	<u>68,936</u>	<u>80,134</u>	<u>284,094</u>	<u>307,653</u>
Long-Term Liabilities:				
Deferred revenue	-	-	99	396
Advances from other funds	-	-	-	-
Total Liabilities	<u>68,936</u>	<u>80,134</u>	<u>284,193</u>	<u>308,048</u>
Fund Balances:				
Nonspendable	-	-	9,150	14,971
Restricted	-	-	907,853	820,172
Committed	-	-	-	-
Assigned	-	-	-	-
Total Fund Balances	<u>-</u>	<u>-</u>	<u>917,002</u>	<u>835,143</u>
Total Liabilities and Fund Balances	\$ <u>68,936</u>	\$ <u>80,134</u>	\$ <u>1,201,195</u>	\$ <u>1,143,191</u>



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MICHIGAN DEPARTMENT OF TRANSPORTATION
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
CAPITAL PROJECTS FUNDS
FISCAL YEARS ENDED SEPTEMBER 30, 2013 and 2012
(In Thousands)

	STATE TRUNKLINE FUND (excluding Blue Water Bridge Fund)		BLUE WATER BRIDGE FUND	
	2013	2012	2013	2012
REVENUES				
Taxes	\$ 100,000	\$ -	\$ -	\$ -
License and permits	17,169	17,553	-	-
Federal aid	710,050	801,264	-	-
Local participation	16,997	15,082	1,553	-
Interest earnings on common cash	591	578	63	54
Services	3,374	3,205	-	-
Non-operating revenue-bridges	3,501	3,263	-	-
Miscellaneous	18,789	20,642	23,202	22,519
Total Revenues	<u>870,471</u>	<u>861,588</u>	<u>24,818</u>	<u>22,573</u>
EXPENDITURES				
Administration and Operations:				
Administration and maintenance	485,803	451,156	5,410	5,427
Other grants	109,112	121,762	-	-
Airport development	-	-	-	-
Non-operating expenditures-bridges	3,340	3,118	-	-
Trust fund construction activity	-	-	-	-
Capital lease payments	633	460	-	-
Total Administration and Operations	<u>598,888</u>	<u>576,497</u>	<u>5,410</u>	<u>5,427</u>
Capital Outlay:				
Roads and bridges	763,690	888,280	2,101	6,933
Other capital outlay	10,037	13,641	-	-
Total Capital Outlay	<u>773,727</u>	<u>901,920</u>	<u>2,101</u>	<u>6,933</u>
Total Expenditures	<u>1,372,615</u>	<u>1,478,417</u>	<u>7,511</u>	<u>12,360</u>
Excess of Revenues Over (Under) Expenditures	<u>(502,144)</u>	<u>(616,829)</u>	<u>17,307</u>	<u>10,213</u>
OTHER FINANCING SOURCES				
Michigan Transportation Fund distribution	607,717	592,473	-	-
Grants and transfers from other funds	210,594	224,087	-	-
Capital Lease Acquisitions	1,061	-	-	-
Proceeds from sale of capital assets	1,075	274	-	-
Proceeds from bonds and notes issued	-	-	-	-
Premium on bonds issued	-	-	-	-
Total Other Financing Sources	<u>820,447</u>	<u>816,834</u>	<u>-</u>	<u>-</u>
OTHER FINANCING USES				
Grants and transfers to other funds	5,084	4,622	73	68
Discount on bonds issued	-	-	-	-
Debt service	209,254	213,017	5,904	2,217
Total Other Financing Uses	<u>214,338</u>	<u>217,638</u>	<u>5,977</u>	<u>2,285</u>
Excess of Other Financing Sources Over (Under) Other Financing Uses	<u>606,108</u>	<u>599,196</u>	<u>(5,977)</u>	<u>(2,285)</u>
Excess of Revenue and Other Sources Over (Under) Expenditures and Other Uses	103,964	(17,633)	11,330	7,928
Fund balances-Beginning of fiscal year	619,669	637,303	49,554	41,626
Fund balances-End of fiscal year	<u>\$ 723,634</u>	<u>\$ 619,669</u>	<u>\$ 60,883</u>	<u>\$ 49,554</u>

STATE AERONAUTICS FUND		COMBINED TRUNKLINE BOND PROCEEDS FUND		COMBINED COMPREHENSIVE TRANSPORTATION BOND PROCEEDS FUND	
2013	2012	2013	2012	2013	2012
\$ 15,026	\$ 5,027	\$ -	\$ -	\$ -	\$ -
353	369	-	-	-	-
64,151	100,078	170,254	70,782	-	-
390	10	3,253	2,290	-	-
13	8	96	111	33	50
777	580	-	-	-	-
-	-	-	-	-	-
11,623	5,285	2,053	969	660	94
<u>92,334</u>	<u>111,355</u>	<u>175,656</u>	<u>74,151</u>	<u>693</u>	<u>144</u>
7,243	6,898	2,126	968	660	94
-	-	538	714	10,207	20,353
81,704	108,149	-	-	1,429	2,061
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>88,947</u>	<u>115,047</u>	<u>2,665</u>	<u>1,683</u>	<u>12,296</u>	<u>22,508</u>
-	-	153,597	58,884	-	-
751	442	-	-	-	65
<u>751</u>	<u>442</u>	<u>153,597</u>	<u>58,884</u>	<u>-</u>	<u>65</u>
89,698	115,489	156,262	60,566	12,296	22,573
<u>2,636</u>	<u>(4,134)</u>	<u>19,395</u>	<u>13,585</u>	<u>(11,603)</u>	<u>(22,429)</u>
-	-	-	-	-	-
6,000	6,339	-	-	-	-
-	-	-	-	-	-
-	-	-	90,980	-	-
-	-	-	10,574	-	-
<u>6,000</u>	<u>6,339</u>	<u>-</u>	<u>101,554</u>	<u>-</u>	<u>-</u>
103	90	45,867	45,843	-	-
-	-	-	-	-	-
3,893	3,473	-	-	-	-
<u>3,996</u>	<u>3,564</u>	<u>45,867</u>	<u>45,843</u>	<u>-</u>	<u>-</u>
2,004	2,775	(45,867)	55,711	-	-
4,640	(1,358)	(26,472)	69,296	(11,603)	(22,429)
21,684	23,042	115,714	46,417	28,523	50,952
<u>\$ 26,324</u>	<u>\$ 21,684</u>	<u>\$ 89,242</u>	<u>\$ 115,714</u>	<u>\$ 16,920</u>	<u>\$ 28,523</u>

	TRANSPORTATION RELATED TRUST FUND		TOTALS	
	2013	2012	2013	2012
REVENUES				
Taxes	\$ -	\$ -	\$ 115,026	\$ 5,027
License and permits	-	-	17,522	17,922
Federal aid	258,255	245,319	1,202,711	1,217,443
Local participation	-	-	22,193	17,382
Interest earnings on common cash	2	-	797	801
Services	-	-	4,150	3,785
Non-operating revenue-bridges	-	-	3,501	3,263
Miscellaneous	928	2,556	57,255	52,064
Total Revenues	259,185	247,875	1,423,158	1,317,685
EXPENDITURES				
Administration and Operations:				
Administration and maintenance	-	-	501,242	464,543
Other grants	-	-	119,858	142,829
Airport development	-	-	83,133	110,210
Non-operating expenditures-bridges	-	-	3,340	3,118
Trust fund construction activity	259,185	247,875	259,185	247,875
Capital lease payments	-	-	633	460
Total Administration and Operations	259,185	247,875	967,391	969,035
Capital Outlay:				
Roads and bridges	-	-	919,389	954,096
Other capital outlay	-	-	10,787	14,148
Total Capital Outlay	-	-	930,176	968,243
Total Expenditures	259,185	247,875	1,897,567	1,937,279
Excess of Revenues Over (Under) Expenditures	-	-	(474,410)	(619,594)
OTHER FINANCING SOURCES				
Michigan Transportation Fund distribution	-	-	607,717	592,473
Grants and transfers from other funds	-	-	216,594	230,426
Capital Lease Acquisitions	-	-	1,061	-
Proceeds from sale of capital assets	-	-	1,075	274
Proceeds from bonds and notes issued	-	-	-	90,980
Premium on bond issues	-	-	-	10,574
Total Other Financing Sources	-	-	826,447	924,727
OTHER FINANCING USES				
Grants and transfers to other funds	-	-	51,127	50,622
Discount on bonds issued	-	-	-	-
Debt service	-	-	219,051	218,707
Total Other Financing Uses	-	-	270,178	269,330
Excess of Other Financing Sources Over (Under) Other Financing Uses	-	-	556,269	655,397
Excess of Revenue and Other Sources Over (Under) Expenditures and Other Uses	-	-	81,859	35,804
Fund balances-Beginning of fiscal year	-	-	835,143	799,339
Fund balances-End of fiscal year	\$ -	\$ -	\$ 917,002	\$ 835,143



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MICHIGAN DEPARTMENT OF TRANSPORTATION
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
CAPITAL PROJECTS FUNDS
 FISCAL YEAR ENDED SEPTEMBER 30, 2013
 (In Thousands)

	STATE TRUNKLINE FUND (excluding Blue Water Bridge Fund)		
(Statutory/Budgetary Basis)	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
REVENUES			
Taxes	\$ 100,000	\$ 100,000	\$ -
License and permits	17,169	17,169	-
Federal aid	710,050	710,050	-
Local participation	16,997	16,997	-
Interest earnings	591	591	-
Services	3,374	3,374	-
Non-operating revenue-bridges	3,501	3,501	-
Miscellaneous and Service revenue	18,789	18,789	-
Total Revenues	870,471	870,471	-
EXPENDITURES AND ENCUMBRANCES			
Administration	557,929	504,737	53,191
Other grants	111,852	111,826	27
Airport development	-	-	-
Nonoperating expenditure-bridges	3,501	3,340	161
Total Administration and Operations	673,282	619,903	53,379
Roads and bridges	771,637	771,637	-
Other capital outlay	11,157	11,118	39
Total Capital Outlay	782,794	782,755	39
Total Expenditures and Encumbrances	1,456,076	1,402,658	53,418
Excess of Revenue Over(Under) Expenditures and Encumbrances	(585,604)	(532,186)	53,418
OTHER FINANCING SOURCES			
Michigan Transportation Fund distribution	607,717	607,717	-
Grants and transfers from other funds	210,594	210,594	-
Capital Lease Acquisitions	1,075	1,075	-
Proceeds of sale of capital assets	-	-	-
Total Financing Sources	819,385	819,385	-
OTHER FINANCING USES			
Grants and transfers to other funds	5,697	5,084	613
Debt service	211,210	209,254	1,956
Total Financing Uses	216,907	214,338	2,569
Excess Other Financing Sources Over(Under) Other Financing Uses	602,478	605,047	2,569
Excess of Revenue and Other Financing Sources Over(Under) Expenditures, Encumbrances and Other Financing Uses	\$ 16,873	72,860	\$ 55,987
RECONCILING ITEMS			
Encumbrances at September 30		31,104	
Funds not annually budgeted		-	
Net Reconciling Items		31,104	
Excess of Revenue and Other Financing Sources Over(Under) Expenditures and Other Financing Uses (GAAP Basis)		103,964	
FUND BALANCES (GAAP BASIS)			
Beginning balance		619,669	
Ending balances (GAAP Basis)		\$ 723,634	

BLUE WATER BRIDGE FUND			STATE AERONAUTICS FUND		
BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
\$ -	\$ -	\$ -	\$ 15,026	\$ 15,026	\$ -
-	-	-	353	353	-
-	-	-	64,151	64,151	-
1,553	1,553	-	390	390	-
63	63	-	13	13	-
-	-	-	777	777	-
-	-	-	-	-	-
<u>23,202</u>	<u>23,202</u>	<u>-</u>	<u>11,623</u>	<u>11,623</u>	<u>-</u>
<u>24,818</u>	<u>24,818</u>	<u>-</u>	<u>92,334</u>	<u>92,334</u>	<u>-</u>
6,273	5,455	818	8,862	7,257	1,605
-	-	-	-	-	-
-	-	-	85,866	84,643	1,223
-	-	-	-	-	-
<u>6,273</u>	<u>5,455</u>	<u>818</u>	<u>94,728</u>	<u>91,900</u>	<u>2,828</u>
2,553	2,553	-	-	-	-
-	-	-	902	752	150
<u>2,553</u>	<u>2,553</u>	<u>-</u>	<u>902</u>	<u>752</u>	<u>150</u>
<u>8,826</u>	<u>8,008</u>	<u>818</u>	<u>95,631</u>	<u>92,653</u>	<u>2,978</u>
<u>15,992</u>	<u>16,810</u>	<u>818</u>	<u>(3,297)</u>	<u>(319)</u>	<u>2,978</u>
-	-	-	-	-	-
-	-	-	6,000	6,000	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>6,000</u>	<u>6,000</u>	<u>-</u>
73	73	-	150	103	47
5,950	5,904	46	3,893	3,893	-
<u>6,023</u>	<u>5,977</u>	<u>46</u>	<u>4,043</u>	<u>3,996</u>	<u>47</u>
<u>(6,023)</u>	<u>(5,977)</u>	<u>46</u>	<u>1,957</u>	<u>2,004</u>	<u>47</u>
\$ <u>9,968</u>	10,832	\$ <u>864</u>	\$ <u>(1,340)</u>	1,685	\$ <u>3,025</u>
	497			2,955	
	-			-	
	<u>497</u>			<u>2,955</u>	
	11,330			4,640	
	49,554			21,684	
	\$ <u>60,883</u>			\$ <u>26,324</u>	

	Funds not Annually Budgeted		
(Statutory/Budgetary Basis)	COMBINED STATE TRUNKLINE BOND PROCEEDS FUND	COMBINED COMPREHENSIVE TRANSPORTATION BOND PROCEEDS FUND	TRANSPORTATION RELATED TRUST FUND
REVENUES			
Taxes	\$ -	\$ -	\$ -
License and permits	-	-	-
Federal aid	-	-	-
Local participation	-	-	-
Interest earnings	-	-	-
Services	-	-	-
Non-operating revenue-bridges	-	-	-
Miscellaneous and Service revenue	-	-	-
Total Revenues	<u>-</u>	<u>-</u>	<u>-</u>
EXPENDITURES AND ENCUMBRANCES			
Administration	-	-	-
Other grants	-	-	-
Airport development	-	-	-
Nonoperating expenditure-bridges	-	-	-
Total Administration and Operations	<u>-</u>	<u>-</u>	<u>-</u>
Roads and bridges	-	-	-
Other capital outlay	-	-	-
Total Capital Outlay	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures and Encumbrances	<u>-</u>	<u>-</u>	<u>-</u>
Excess of Revenue Over(Under) Expenditures and Encumbrances	<u>-</u>	<u>-</u>	<u>-</u>
OTHER FINANCING SOURCES			
Michigan Transportation Fund distribution	-	-	-
Grants and transfers from other funds	-	-	-
Capital Lease Acquisitions	-	-	-
Proceeds of sale of capital assets	-	-	-
Total Financing Sources	<u>-</u>	<u>-</u>	<u>-</u>
OTHER FINANCING USES			
Grants and transfers to other funds	-	-	-
Debt service	-	-	-
Total Financing Uses	<u>-</u>	<u>-</u>	<u>-</u>
Excess Other Financing Sources Over(Under) Other Financing Uses	<u>-</u>	<u>-</u>	<u>-</u>
Excess of Revenue and Other Financing Sources Over(Under) Expenditures, Encumbrances and Other Financing Uses	<u>-</u>	<u>-</u>	<u>-</u>
RECONCILING ITEMS			
Encumbrances at September 30	-	-	-
Funds not annually budgeted	(26,472)	(11,604)	-
Net Reconciling Items	<u>(26,472)</u>	<u>(11,604)</u>	<u>-</u>
Excess of Revenue and Other Financing Sources Over(Under) Expenditures and Other Financing Uses (GAAP Basis)	<u>(26,472)</u>	<u>(11,604)</u>	<u>-</u>
FUND BALANCES (GAAP BASIS)			
Beginning balance	115,714	28,523	-
Ending balances (GAAP Basis)	<u>\$ 89,242</u>	<u>\$ 16,920</u>	<u>\$ -</u>

TOTALS		
BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
\$ 115,026	\$ 115,026	\$ -
17,522	17,522	-
774,202	774,202	-
18,940	18,940	-
667	667	-
4,150	4,150	-
3,501	3,501	-
<u>53,614</u>	<u>53,614</u>	<u>-</u>
987,623	987,623	-
573,064	517,450	55,614
111,852	111,826	27
85,866	84,643	1,223
3,501	3,340	161
<u>774,283</u>	<u>717,258</u>	<u>57,025</u>
774,190	774,190	-
12,060	11,871	189
<u>786,249</u>	<u>786,060</u>	<u>189</u>
<u>1,560,533</u>	<u>1,503,319</u>	<u>57,214</u>
(572,910)	(515,696)	57,214
607,717	607,717	-
216,594	216,594	-
1,075	1,075	-
-	-	-
<u>825,385</u>	<u>825,385</u>	<u>-</u>
5,920	5,261	660
221,053	219,051	2,003
<u>226,974</u>	<u>224,311</u>	<u>2,662</u>
598,412	601,074	2,662
\$ <u>25,502</u>	85,378	\$ <u>59,876</u>
	34,556	
	<u>(38,076)</u>	
	(3,519)	
	<u>81,859</u>	
	<u>835,143</u>	
	\$ <u>917,002</u>	

MICHIGAN DEPARTMENT OF TRANSPORTATION
**COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
 CAPITAL PROJECTS FUNDS**

FISCAL YEAR ENDED SEPTEMBER 30, 2012
 (In Thousands)

	STATE TRUNKLINE FUND (excluding Blue Water Bridge Fund)		
(Statutory/Budgetary Basis)	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
REVENUES			
Taxes	\$ 17,553	\$ 17,553	\$ -
License and permits	801,264	801,264	-
Federal aid	15,082	15,082	-
Local participation	578	578	-
Interest earnings	3,205	3,205	-
Services	3,263	3,263	-
Non-operating revenue-bridges	20,642	20,642	-
Miscellaneous and Service revenue	-	-	-
Total Revenues	861,588	861,588	-
EXPENDITURES AND ENCUMBRANCES			
Administration	530,229	469,166	61,063
Other grants	127,579	127,315	263
Airport development	-	-	-
Nonoperating expenditure-bridges	3,263	3,118	144
Total Administration and Operations	661,070	599,600	61,470
Roads and bridges	895,077	895,077	-
Other capital outlay	17,255	17,120	135
Total Capital Outlay	912,332	912,197	135
Total Expenditures and Encumbrances	1,573,403	1,511,797	61,605
Excess of Revenue Over(Under) Expenditures and Encumbrances	(711,815)	(650,210)	61,605
OTHER FINANCING SOURCES			
Michigan Transportation Fund distribution	592,473	592,473	-
Grants and transfers from other funds	224,087	224,087	-
Proceeds of sale of capital assets	274	274	-
Total Financing Sources	816,834	816,834	-
OTHER FINANCING USES			
Grants and transfers to other funds	5,697	4,622	1,075
Debt service	252,294	213,017	39,277
Total Financing Uses	257,991	217,638	40,353
Excess Other Financing Sources Over(Under) Other Financing Uses	558,843	599,196	40,353
Excess of Revenue and Other Financing Sources Over(Under) Expenditures, Encumbrances and Other Financing Uses	\$ (152,972)	(51,014)	\$ 101,958
RECONCILING ITEMS			
Encumbrances at September 30		33,381	
Funds not annually budgeted		-	
Net Reconciling Items		33,381	
Excess of Revenue and Other Financing Sources Over(Under) Expenditures and Other Financing Uses (GAAP Basis)		(17,633)	
FUND BALANCES (GAAP BASIS)			
Beginning balance		637,303	
Ending balances (GAAP Basis)		\$ 619,669	

BLUE WATER BRIDGE FUND			STATE AERONAUTICS FUND		
BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
\$ -	\$ -	\$ -	\$ 5,027	\$ 5,027	\$ -
-	-	-	369	369	-
-	-	-	100,078	100,078	-
-	-	-	10	10	-
54	54	-	8	8	-
-	-	-	580	580	-
-	-	-	-	-	-
<u>22,519</u>	<u>22,519</u>	<u>-</u>	<u>5,285</u>	<u>5,285</u>	<u>-</u>
<u>22,573</u>	<u>22,573</u>	<u>-</u>	<u>111,355</u>	<u>111,355</u>	<u>-</u>
6,327	5,443	884	8,707	6,985	1,722
-	-	-	-	-	-
-	-	-	112,464	110,740	1,723
-	-	-	-	-	-
<u>6,327</u>	<u>5,443</u>	<u>884</u>	<u>121,171</u>	<u>117,725</u>	<u>3,446</u>
7,110	7,110	-	-	-	-
-	-	-	595	595	-
<u>7,110</u>	<u>7,110</u>	<u>-</u>	<u>595</u>	<u>595</u>	<u>-</u>
<u>13,437</u>	<u>12,553</u>	<u>884</u>	<u>121,766</u>	<u>118,320</u>	<u>3,446</u>
9,136	10,020	884	(10,410)	(6,965)	3,446
-	-	-	-	-	-
-	-	-	6,339	6,339	-
-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>6,339</u>	<u>6,339</u>	<u>-</u>
68	68	-	150	90	60
4,115	2,217	1,898	3,474	3,473	-
<u>4,183</u>	<u>2,285</u>	<u>1,898</u>	<u>3,624</u>	<u>3,564</u>	<u>60</u>
(4,183)	(2,285)	1,898	2,716	2,775	60
<u>\$ 4,953</u>	<u>7,735</u>	<u>\$ 2,782</u>	<u>\$ (7,695)</u>	<u>(4,189)</u>	<u>\$ 3,506</u>
	193			2,831	
	-			-	
	<u>193</u>			<u>2,831</u>	
	7,928			(1,358)	
	<u>41,626</u>			<u>23,042</u>	
	<u>\$ 49,554</u>			<u>\$ 21,684</u>	

	Funds not Annually Budgeted		
(Statutory/Budgetary Basis)	COMBINED STATE TRUNKLINE BOND PROCEEDS FUND	COMBINED COMPREHENSIVE TRANSPORTATION BOND PROCEEDS FUND	TRANSPORTATION RELATED TRUST FUND
REVENUES			
Taxes	\$ -	\$ -	\$ -
License and permits	-	-	-
Federal aid	-	-	-
Local participation	-	-	-
Interest earnings	-	-	-
Services	-	-	-
Non-operating revenue-bridges	-	-	-
Miscellaneous and Service revenue	-	-	-
Total Revenues	<u>-</u>	<u>-</u>	<u>-</u>
EXPENDITURES AND ENCUMBRANCES			
Administration	-	-	-
Other grants	-	-	-
Airport development	-	-	-
Nonoperating expenditure-bridges	-	-	-
Total Administration and Operations	<u>-</u>	<u>-</u>	<u>-</u>
Roads and bridges	-	-	-
Other capital outlay	-	-	-
Total Capital Outlay	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures and Encumbrances	<u>-</u>	<u>-</u>	<u>-</u>
Excess of Revenue Over(Under) Expenditures and Encumbrances	<u>-</u>	<u>-</u>	<u>-</u>
OTHER FINANCING SOURCES			
Michigan Transportation Fund distribution	-	-	-
Grants and transfers from other funds	-	-	-
Proceeds of sale of capital assets	-	-	-
Total Financing Sources	<u>-</u>	<u>-</u>	<u>-</u>
OTHER FINANCING USES			
Grants and transfers to other funds	-	-	-
Debt service	-	-	-
Total Financing Uses	<u>-</u>	<u>-</u>	<u>-</u>
Excess Other Financing Sources Over(Under) Other Financing Uses	<u>-</u>	<u>-</u>	<u>-</u>
Excess of Revenue and Other Financing Sources Over(Under) Expenditures, Encumbrances and Other Financing Uses	<u>-</u>	<u>-</u>	<u>-</u>
RECONCILING ITEMS			
Encumbrances at September 30	-	-	-
Funds not annually budgeted	69,296	(22,429)	-
Net Reconciling Items	<u>69,296</u>	<u>(22,429)</u>	<u>-</u>
Excess of Revenue and Other Financing Sources Over(Under) Expenditures and Other Financing Uses (GAAP Basis)	<u>69,296</u>	<u>(22,429)</u>	<u>-</u>
FUND BALANCES (GAAP BASIS)			
Beginning balance	46,417	50,952	-
Ending balances (GAAP Basis)	<u>\$ 115,714</u>	<u>\$ 28,523</u>	<u>\$ -</u>

TOTALS		
BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
\$ 22,580	\$ 22,580	\$ -
801,633	801,633	-
115,160	115,160	-
588	588	-
3,267	3,267	-
3,843	3,843	-
20,642	20,642	-
<u>27,803</u>	<u>27,803</u>	<u>-</u>
995,516	995,516	-
545,263	481,594	63,669
127,579	127,315	263
112,464	110,740	1,723
3,263	3,118	144
<u>788,568</u>	<u>722,768</u>	<u>65,800</u>
902,187	902,187	-
17,850	17,715	135
<u>920,037</u>	<u>919,902</u>	<u>135</u>
1,708,605	1,642,670	65,936
<u>(713,090)</u>	<u>(647,154)</u>	<u>65,936</u>
592,473	592,473	-
230,426	230,426	-
274	274	-
<u>823,173</u>	<u>823,173</u>	<u>-</u>
5,915	4,780	1,135
259,883	218,707	41,175
<u>265,798</u>	<u>223,487</u>	<u>42,311</u>
557,375	599,686	42,311
\$ <u>(155,714)</u>	<u>(47,468)</u>	\$ <u>108,246</u>
	36,404	
	<u>46,867</u>	
	83,272	
	<u>35,804</u>	
	799,339	
\$	<u>835,143</u>	



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MICHIGAN DEPARTMENT OF TRANSPORTATION
DESCRIPTIONS OF DEBT SERVICE FUNDS
FISCAL YEAR ENDED SEPTEMBER 30, 2013

COMBINED STATE TRUNKLINE BOND AND INTEREST REDEMPTION FUND

This fund was established pursuant to Public Act 51 of 1951, as amended, to account for debt service on all State Trunkline Fund related bond issues. The bonds are not general obligations of the State of Michigan but are payable solely out of funds restricted as to use for transportation purposes by Section 9 of Article IX of the Michigan Constitution and irrevocably pledged by law for deposit in the State Trunkline Fund. Debt service requirements are funded by annual appropriations in the State Trunkline Fund.

COMBINED COMPREHENSIVE TRANSPORTATION BOND AND INTEREST REDEMPTION FUND

This fund was established pursuant to Public Act 51 of 1951, as amended, to account for debt service on all Comprehensive Transportation Fund related bond issues. The bonds are not general obligations of the State of Michigan but are payable solely out of funds restricted as to use for comprehensive transportation purposes by Section 9 of Article IX of the Michigan Constitution and irrevocably pledged by law for deposit in the Comprehensive Transportation Fund. Debt service requirements are funded by annual appropriations in the Comprehensive Transportation Fund.

MICHIGAN DEPARTMENT OF TRANSPORTATION
COMBINING BALANCE SHEET
DEBT SERVICE FUNDS
 SEPTEMBER 30, 2013 and 2012
 (In Thousands)

	COMBINED STATE TRUNKLINE BOND AND INTEREST REDEMPTION FUND		COMBINED COMPREHENSIVE TRANSPORTATION BOND AND INTEREST REDEMPTION FUND		TOTALS	
	2013	2012	2013	2012	2013	2012
	ASSETS					
Current Assets:						
Equity in Common Cash	\$ -	\$ -	\$ 14	\$ -	\$ 14	\$ -
Total Assets	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 14</u>	<u>\$ -</u>	<u>\$ 14</u>	<u>\$ -</u>
LIABILITIES AND FUND BALANCES						
Current Liabilities:						
Warrants Outstanding	\$ -	\$ -	\$ 14	\$ -	\$ 14	\$ -
Accounts payable and other liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances:						
Restricted	<u>-</u>	<u>-</u>	<u>14</u>	<u>-</u>	<u>14</u>	<u>-</u>
Total Fund Balances	<u>-</u>	<u>-</u>	<u>14</u>	<u>-</u>	<u>14</u>	<u>-</u>
Total Liabilities and Fund Balance:	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 14</u>	<u>\$ -</u>	<u>\$ 14</u>	<u>\$ -</u>

MICHIGAN DEPARTMENT OF TRANSPORTATION
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
DEBT SERVICE FUNDS
FISCAL YEARS ENDED SEPTEMBER 30, 2013 and 2012
(In Thousands)

	COMBINED STATE TRUNKLINE BOND AND INTEREST REDEMPTION FUND		COMBINED COMPREHENSIVE TRANSPORTATION BOND AND INTEREST REDEMPTION FUND		TOTALS	
	2013	2012	2013	2012	2013	2012
REVENUES						
Interest earnings	\$ 1	\$ 4	\$ -	\$ -	\$ 1	\$ 4
Total Revenues	<u>1</u>	<u>4</u>	<u>-</u>	<u>-</u>	<u>1</u>	<u>4</u>
EXPENDITURES						
Administration	1	4	-	-	1	4
Costs of issuance	-	276	131	158	131	434
Bond principal retirement	96,566	93,977	13,850	14,020	110,416	107,997
Bond interest and fiscal charges	118,592	121,265	8,598	9,347	127,189	130,612
Total Expenditures	<u>215,159</u>	<u>215,521</u>	<u>22,579</u>	<u>23,526</u>	<u>237,738</u>	<u>239,046</u>
Excess of Revenues Over (Under) Expenditures	<u>(215,158)</u>	<u>(215,517)</u>	<u>(22,579)</u>	<u>(23,526)</u>	<u>(237,737)</u>	<u>(239,043)</u>
OTHER FINANCING SOURCES						
Proceeds from refunding bond issues	-	49,305	10,130	18,470	10,130	67,775
Premium on bonds issued	-	8,679	857	2,527	857	11,206
Transfer from State Aeronautics Fund	-	-	3,893	3,473	3,893	3,473
Transfer from State Trunkline Fund	215,158	215,234	-	-	215,158	215,234
Transfer from Comprehensive Transportation Fund	-	-	18,554	19,917	18,554	19,917
Total Other Financing Sources	<u>215,158</u>	<u>273,218</u>	<u>33,434</u>	<u>44,388</u>	<u>248,592</u>	<u>317,606</u>
OTHER FINANCING USES						
Payment to refunded bond escrow agent	-	57,701	10,855	20,862	10,855	78,563
Total Other Financing Uses	<u>-</u>	<u>57,701</u>	<u>10,855</u>	<u>20,862</u>	<u>10,855</u>	<u>78,563</u>
Excess of Other Sources Over (Under) Other Uses	<u>215,158</u>	<u>215,517</u>	<u>22,579</u>	<u>23,526</u>	<u>237,737</u>	<u>239,043</u>
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	-	-	-	-	-	-
Fund balances-Beginning of fiscal year	-	-	-	-	-	-
Fund balances-End of fiscal year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>



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Statistical Section





FINANCIAL SCHEDULES

MICHIGAN DEPARTMENT OF TRANSPORTATION
SCHEDULE OF REVENUES AND EXPENDITURES
SPECIAL REVENUE FUNDS AND CAPITAL PROJECTS FUNDS
LAST TEN YEARS
 SEPTEMBER 30, 2013
 (In Thousands)

	<u>2003-2004</u>	<u>2004-2005</u>	<u>2005-2006</u>	<u>2006-2007</u>
REVENUES AND OTHER SOURCES:				
Michigan Transportation Fund	\$ 2,064,583	\$ 1,976,798	\$ 1,967,920	\$ 1,943,436
State Trunkline Fund				
Economic Development	106,607	118,205	98,526	95,899
Road and Bridge Program	1,429,449	1,612,110	1,588,113	1,668,203
Blue Water Bridge Fund	13,989	15,081	14,758	14,225
Comprehensive Transportation Fund	267,928	252,284	260,424	262,128
Aeronautics Fund	144,580	164,574	135,989	134,785
Transportation Related Trust Fund	266,271	239,403	174,024	205,607
1989 State Trunkline Bond Proceeds Fund	152	891	49	41
1992 State Trunkline Bond Proceeds Fund	2,419	947	85	194
1992 Comprehensive Transportation Bond Proceeds Fund	-	-	-	-
1994 State Trunkline Bond Proceeds Fund	71	374	20	111
2001 Build Michigan III Bond Proceeds Fund	27,691	11,765	7,019	3,857
2001 & 2002 Build Michigan II Grant Anticipation Note Proceeds Fund	9,477	67,623	93,546	53,841
2002 & 2003 Comprehensive Transportation Bond Proceeds Fund	1,164	2,531	40,425	5,855
2004 State Trunkline Bond Proceeds Fund	201,896	6,152	269,072	10,402
2011 State Trunkline Bond Proceeds Fund	-	-	-	-
Economic Stimulus Bonds	-	-	-	-
Jobs Today Bond Proceeds Fund	-	-	73	501,507
Blue Water Bridge Plaza Series Bonds	-	-	-	-
TOTAL REVENUES AND OTHER SOURCES	\$ <u>4,536,277</u>	\$ <u>4,468,738</u>	\$ <u>4,650,043</u>	\$ <u>4,900,091</u>
EXPENDITURES AND OTHER USES:				
Michigan Transportation Fund	\$ 2,064,583	\$ 1,976,798	\$ 1,967,920	\$ 1,943,436
State Trunkline Fund				
Economic Development	121,527	113,014	90,141	85,342
Traditional Program	1,288,226	1,572,956	1,618,331	1,540,590
Blue Water Bridge Fund	7,421	7,709	13,870	10,145
Comprehensive Transportation Fund	283,459	253,451	254,045	261,237
Aeronautics Fund	138,712	166,954	135,473	135,402
Transportation Related Trust Fund	266,271	239,403	174,024	205,607
1989 State Trunkline Bond Proceeds Fund	1,271	635	14	1,089
1992 State Trunkline Bond Proceeds Fund	5,495	880	6,078	196
1992 Comprehensive Transportation Bond Proceeds Fund	-	-	-	-
1994 State Trunkline Bond Proceeds Fund	3,997	411	(520)	439
2001 Build Michigan III Bond Proceeds Fund	51,124	56,489	13,663	28,249
2001 & 2002 Build Michigan II Grant Anticipation Note Proceeds Fund	58,497	66,207	94,827	53,781
2002 & 2003 Comprehensive Transportation Bond Proceeds Fund	23,201	16,205	19,900	27,413
2004 State Trunkline Bond Proceeds Fund	63,416	115,184	132,305	159,271
2011 State Trunkline Bond Proceeds Fund	-	-	-	-
Economic Stimulus Bonds	-	-	-	-
Jobs Today Bond Proceeds Fund	-	-	83,336	222,486
Blue Water Bridge Plaza Series Bonds	-	-	-	-
TOTAL EXPENDITURES AND OTHER USES	\$ <u>4,377,200</u>	\$ <u>4,586,296</u>	\$ <u>4,603,407</u>	\$ <u>4,674,683</u>

<u>2007-2008</u>	<u>2008-2009</u>	<u>2009-2010</u>	<u>2010-2011</u>	<u>2011-2012</u>	<u>2012-2013</u>
\$ 1,889,569	\$ 1,838,990	\$ 1,840,178	\$ 1,852,109	\$ 1,858,160	\$ 1,894,679
71,997	76,031	77,173	68,427	68,739	51,745
1,518,646	1,672,977	1,719,438	1,796,420	1,609,683	1,638,111
15,959	12,913	19,133	21,934	22,573	24,818
277,606	275,093	286,146	293,560	314,275	496,404
124,725	131,889	141,038	98,119	117,694	98,334
292,120	277,365	370,918	256,695	247,875	259,185
-	-	-	-	-	-
3,624	4	330	325	5	245
-	-	-	-	-	-
4	1	(4)	-	(3)	4
1,224	1,396	684	102	(6)	11
32,191	(2)	9	610	565	-
2,586	17,241	13,029	13,348	144	693
77,806	4,614	60	804	31	66
-	-	-	-	63,018	10,431
-	150,174	4,295	1,434	24,340	37,495
25,863	154,922	58,407	91,483	26,745	127,194
-	-	-	(6)	61,010	210
<u>\$ 4,333,920</u>	<u>\$ 4,613,608</u>	<u>\$ 4,530,834</u>	<u>\$ 4,495,364</u>	<u>\$ 4,414,848</u>	<u>\$ 4,639,625</u>
\$ 1,889,569	\$ 1,838,990	\$ 1,840,178	\$ 1,852,109	\$ 1,858,160	\$ 1,894,679
75,250	78,341	71,563	70,372	67,737	48,702
1,702,452	1,747,662	1,818,278	1,684,489	1,628,318	1,537,190
12,815	10,320	5,962	7,474	14,644	13,488
270,758	273,245	290,025	277,708	293,624	479,460
123,681	132,531	141,247	97,239	119,053	93,693
292,120	277,365	370,918	256,695	247,875	259,185
-	-	-	-	-	-
2,087	(10)	488	329	1,710	46
-	-	-	-	-	-
5	1	2	-	28	5
11,992	18,936	30	701	(134)	410
32,163	29	-	675	25	202
15,805	11,186	21,663	14,665	22,573	12,296
66,624	18,914	3,176	1,439	712	582
-	-	-	-	26,490	23,453
-	8,303	114,089	27,488	3,270	20,854
234,404	109,365	79,981	48,664	48,960	148,568
-	-	-	26,042	25,348	8,009
<u>\$ 4,729,725</u>	<u>\$ 4,525,178</u>	<u>\$ 4,757,600</u>	<u>\$ 4,366,089</u>	<u>\$ 4,358,393</u>	<u>\$ 4,540,822</u>

MICHIGAN DEPARTMENT OF TRANSPORTATION
SCHEDULE OF REVENUES, EXPENDITURES & CHANGES IN FUND BALANCES
ECONOMIC DEVELOPMENT FUND
FISCAL YEARS ENDED SEPTEMBER 30, 2013 and 2012
(In Thousands)

	2013	2012
REVENUES AND OTHER SOURCES		
Licenses and permits	\$ 711,497	\$ 827,819
Federal aid	9,979,730	26,366,184
Local participation	-	-
Interest earnings	169,967	166,397
Michigan Transportation Fund distribution	40,275,000	40,275,000
Miscellaneous	467,771	949,579
Fees	141,524	154,264
Total Revenues and Other Sources	51,745,490	68,739,244
EXPENDITURES AND OTHER USES		
Administration	396,809	414,189
Forest roads	5,000,000	5,000,000
Target industries-state takeovers	11,086,569	17,740,632
Rural county urban system	2,482,361	4,081,949
Urban county congestion	5,613,325	15,425,353
Rural county primary	15,435,067	15,900,386
Debt service	8,687,679	9,174,535
Total Expenditures and Other Uses	48,701,810	67,737,045
Excess of Revenue and Other Sources Over (Under) Expenditures and Other Uses	3,043,679	1,002,200
Fund Balances-Beginning of fiscal year	110,658,948	109,656,748
Fund Balances-End of fiscal year	\$ 113,702,627	\$ 110,658,948

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

License and permit revenue was reduced in FY 2012, and FY 2013, because of a \$12 million transfer to the State's Trunkline fund that was required by P.A. 145 of 2011 and P.A. 621 of 2012.



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MICHIGAN DEPARTMENT OF TRANSPORTATION
CONSTRUCTION AND CAPITAL PROPERTY ACQUISITIONS
BY FUNCTIONAL ACTIVITY
FISCAL YEAR ENDED SEPTEMBER 30, 2013
(In Thousands)

	<u>Construction Supervision</u>	<u>Preliminary Engineering</u>	<u>Right-of-Way</u>
STATE TRUNKLINE FUND			
Roads and bridges	\$ 80,945	\$ 103,907	\$ 14,325
Economic development fund	1,069	196	264
Work orders - state facilities	-	180	-
	<u>82,013</u>	<u>104,282</u>	<u>14,589</u>
Subtotal	<u>82,013</u>	<u>104,282</u>	<u>14,589</u>
BLUE WATER BRIDGE FUND			
	<u>640</u>	<u>189</u>	<u>29</u>
Subtotal	<u>640</u>	<u>189</u>	<u>29</u>
STATE AERONAUTICS AND GENERAL FUNDS			
Airport development	2,633	5,047	4,087
Work orders - state facilities	-	-	-
	<u>2,633</u>	<u>5,047</u>	<u>4,087</u>
Subtotal	<u>2,633</u>	<u>5,047</u>	<u>4,087</u>
COMPREHENSIVE TRANSPORTATION FUND			
Rail freight	-	-	-
Bus transit	-	-	-
Intercity bus, rail, water	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
Subtotal	<u>-</u>	<u>-</u>	<u>-</u>
BOND PROCEEDS FUNDS			
State Trunkline Fund	13,639	213	56
Comprehensive Transportation Fund	-	-	-
Aeronautics Fund	180	(66)	732
	<u>13,819</u>	<u>148</u>	<u>788</u>
Subtotal	<u>13,819</u>	<u>148</u>	<u>788</u>
Total Capital Acquisitions	<u>\$ 99,105</u>	<u>\$ 109,666</u>	<u>\$ 19,493</u>

<u>Utility Relocation</u>	<u>Physical Construction</u>	<u>Special Projects</u>	<u>Other Activities</u>	<u>Totals</u>
\$ 5,291	\$ 594,544	\$ (1)	\$ 4,437	\$ 803,447
-	36,472	-	5,000	43,001
-	-	-	4,918	5,098
<u>5,291</u>	<u>631,017</u>	<u>(1)</u>	<u>14,355</u>	<u>851,546</u>
-	1,243	-	-	2,101
-	1,243	-	-	2,101
-	51,693	-	109	63,568
-	-	-	-	-
-	51,693	-	109	63,568
-	-	-	2,775	2,775
-	-	-	34,027	34,027
-	-	-	200,047	200,047
-	-	-	236,850	236,850
-	140,207	-	27,569	181,684
-	-	-	13,132	13,132
-	581	-	29	1,456
-	140,788	-	40,730	196,272
<u>\$ 5,291</u>	<u>\$ 824,740</u>	<u>\$ (1)</u>	<u>\$ 292,043</u>	<u>\$ 1,350,336</u>

MICHIGAN DEPARTMENT OF TRANSPORTATION
CONSTRUCTION AND CAPITAL PROPERTY ACQUISITIONS
BY FUNCTIONAL ACTIVITY
FISCAL YEAR ENDED SEPTEMBER 30, 2012
(In Thousands)

	<u>Construction Supervision</u>	<u>Preliminary Engineering</u>	<u>Right-of-Way</u>
STATE TRUNKLINE FUND			
Roads and bridges	\$ 84,862	\$ 100,588	\$ 21,426
Economic development fund	2,222	445	2,055
Work orders - state facilities	-	-	-
	<hr/>	<hr/>	<hr/>
Subtotal	87,084	101,033	23,481
	<hr/>	<hr/>	<hr/>
BLUE WATER BRIDGE FUND			
	1,006	615	13
	<hr/>	<hr/>	<hr/>
Subtotal	1,006	615	13
	<hr/>	<hr/>	<hr/>
STATE AERONAUTICS AND GENERAL FUNDS			
Airport development	6,813	10,728	8,666
Work orders - state facilities	-	-	-
	<hr/>	<hr/>	<hr/>
Subtotal	6,813	10,728	8,666
	<hr/>	<hr/>	<hr/>
COMPREHENSIVE TRANSPORTATION FUND			
Rail freight	-	-	-
Bus transit	-	-	-
Intercity bus, rail, water	-	-	-
	<hr/>	<hr/>	<hr/>
Subtotal	-	-	-
	<hr/>	<hr/>	<hr/>
BOND PROCEEDS FUNDS			
State Trunkline Fund	7,362	1,971	(290)
Comprehensive Transportation Fund	-	81	4,971
Aeronautics Fund	95	143	210
	<hr/>	<hr/>	<hr/>
Subtotal	7,457	2,195	4,890
	<hr/>	<hr/>	<hr/>
Total Capital Acquisitions	\$ <u>102,360</u>	\$ <u>114,571</u>	\$ <u>37,050</u>

<u>Utility Relocation</u>	<u>Physical Construction</u>	<u>Special Projects</u>	<u>Other Activities</u>	<u>Totals</u>
\$ 946	\$ 717,647	\$ -	\$ 4,020	\$ 929,490
-	53,895	-	5,002	63,618
-	-	-	4,059	4,059
<u>946</u>	<u>771,542</u>	<u>-</u>	<u>13,081</u>	<u>997,167</u>
-	-	-	-	-
-	5,299	-	-	6,933
-	5,299	-	-	6,933
-	-	-	-	-
-	-	-	-	-
-	83,026	-	12	109,245
-	-	-	177	177
-	83,026	-	188	109,421
-	-	-	-	-
-	-	-	-	-
-	-	-	3,459	3,459
-	-	-	34,741	34,741
-	-	-	26,430	26,430
-	-	-	-	-
-	-	-	64,631	64,631
-	-	-	-	-
-	49,966	-	554	59,562
-	1,815	-	9,842	16,708
-	1,617	-	96	2,160
-	-	-	-	-
-	53,398	-	10,491	78,431
-	-	-	-	-
<u>\$ 946</u>	<u>\$ 913,264</u>	<u>\$ -</u>	<u>\$ 88,391</u>	<u>\$ 1,256,582</u>

Michigan Department of Transportation
Schedule of Expenditures of Federal Awards
Fiscal Year Ended September 30, 2013

Grantor Agency/ Federal Assistance Program Title	CFDA* Program Number	Pass Through Entity	Pass- Through Entity Identification Number	Directly Expended by Department	Distributed to Subrecipients	Total Expended and Distributed
U.S. Department of Transportation						
Highway Planning and Construction Cluster						
Direct Programs:						
ARRA - Highway Planning and Construction	20.205			5,656,086.90	1,299,507.98	6,955,594.88
Highway Planning and Construction (Notes 1)	20.205			1,084,205,682.40	38,056,263.44	1,122,261,945.84
Total Highway Planning and Construction Cluster				<u>1,089,861,769.30</u>	<u>39,355,771.42</u>	<u>1,129,217,540.72</u>
Federal Transit Cluster						
Direct Programs:						
Federal Transit: Capital Investment Grants	20.500			-	3,444,330.78	3,444,330.78
ARRA - Federal Transit-Formula Grants	20.507			-	14,699.00	14,699.00
Federal Transit-Formula Grants	20.507			-	10,320.00	10,320.00
Total Federal Transit Cluster				<u>-</u>	<u>3,469,349.78</u>	<u>3,469,349.78</u>
Transit Services Programs Cluster						
Direct Programs:						
Capital Assistance Program for Elderly Persons and Persons with Disabilities	20.513			-	3,424,657.74	3,424,657.74
Job Access - Reverse Commute Program	20.516			-	230,201.93	230,201.93
New Freedom Program	20.521			-	1,836,865.51	1,836,865.51
Total Transit Services Programs Cluster				<u>-</u>	<u>5,491,725.18</u>	<u>5,491,725.18</u>
Direct Programs:						
Airport Improvement Program (Note 2)	20.106			19,495,784.07	-	19,495,784.07
ARRA - High-Speed Rail Corridors and Intercity Passenger Rail Service - Capital Assistance Grants	20.319			54,046,287.53	-	54,046,287.53
High-Speed Rail Corridors and Intercity Passenger Rail Service - Capital Assistance Grants	20.319			143,300,379.52	-	143,300,379.52
Rail Line Relocation and Improvement	20.320			1,057,725.20	-	1,057,725.20
Metropolitan Transportation Planning	20.505			-	2,385,286.94	2,385,286.94
ARRA - Formula Grants for Other Than Urbanized Areas	20.509			1,362,257.32	1,044,898.38	2,407,155.70
Formula Grants for Other Than Urbanized Areas	20.509			2,398,360.68	10,962,561.85	13,360,922.53
State Planning and Research	20.515			-	503,156.29	503,156.29
ARRA - Transit Investments for Energy Reduction	20.523			-	843,786.54	843,786.54
Total Direct Programs				<u>221,660,794.32</u>	<u>15,739,690.00</u>	<u>237,400,484.32</u>
Total U.S. Department of Transportation				<u>1,311,522,563.62</u>	<u>64,056,536.38</u>	<u>1,375,579,100.00</u>
U.S. Department of Commerce						
Direct Program:						
Geodetic Surveys and Services	11.400			8,724.33	-	8,724.33
Total U.S. Department of Commerce				<u>8,724.33</u>	<u>-</u>	<u>8,724.33</u>
U.S. Department of Homeland Security						
Direct Program:						
Homeland Security Grant Program	97.067	State Police		507,000.00	-	507,000.00
National Incident Management System (NIMS)	97.107	State Police		15,464.00	-	15,464.00
Total U.S. Department of Homeland Security				<u>522,464.00</u>	<u>-</u>	<u>522,464.00</u>
Total Expenditures of Federal Awards				<u>1,312,053,751.95</u>	<u>64,056,536.38</u>	<u>1,376,110,288.33</u>

* CFDA is defined as Catalog of Federal Domestic Assistance

Direct payments made to other state departments:
DNR (Included in 20.205 distributed to subrecipients above)

266,669.25

Michigan Department of Transportation
 Schedule of Expenditures of Federal Awards
 Fiscal Year Ended September 30, 2012

Grantor Agency/ Federal Assistance Program Title	CFDA* Program Number	Pass Through Entity	Pass- Through Entity Identification Number	Directly Expended by Department	Distributed to Subrecipients	Total Expended and Distributed
U.S. Department of Transportation						
Highway Planning and Construction Cluster						
Direct Programs:						
ARRA - Highway Planning and Construction	20.205			21,863,943.13	2,251,258.82	24,115,201.95
Highway Planning and Construction (Notes 1)	20.205			1,019,529,057.40	41,043,190.62	1,060,572,248.02
Total Highway Planning and Construction Cluster				<u>1,041,393,000.53</u>	<u>43,294,449.44</u>	<u>1,084,687,449.97</u>
Federal Transit Cluster						
Direct Programs:						
Federal Transit: Capital Investment Grants	20.500			16,717.07	10,062,410.00	10,079,127.07
Total Federal Transit Cluster				<u>16,717.07</u>	<u>10,062,410.00</u>	<u>10,079,127.07</u>
Transit Services Programs Cluster						
Direct Programs:						
Capital Assistance Program for Elderly Persons and Persons with Disabilities	20.513			0.00	4,760,121.00	4,760,121.00
Job Access - Reverse Commute Program	20.516			0.00	2,273,544.00	2,273,544.00
New Freedom Program	20.521			0.00	933,553.00	933,553.00
Total Transit Services Programs Cluster				<u>0.00</u>	<u>7,967,218.00</u>	<u>7,967,218.00</u>
Direct Programs:						
Airport Improvement Program (Note 2)	20.106			23,431,323.69	0.00	23,431,323.69
High Speed Ground Transportation: Next Generation High Speed Rail Program	20.312			0.00	282,071.70	282,071.70
High-Speed Rail Corridors and Intercity Passenger						
ARRA - Rail Service - Capital Assistance Grants	20.319			581,703.14	10,392,513.98	10,974,217.12
Metropolitan Transportation Planning	20.505			0.00	2,221,841.00	2,221,841.00
ARRA - Formula Grants for Other Than Urbanized Areas	20.509			5,238.68	3,087,008.60	3,092,247.28
Formula Grants for Other Than Urbanized Areas	20.509			4,207,343.57	18,265,023.70	22,472,367.27
State Planning and Research	20.515			0.00	440,625.00	440,625.00
ARRA - Surface Transportation_Discretionary Grants for Capital Investments	20.932			16,741,096.62	0.00	16,741,096.62
ARRA - Transit Investments for Energy Reduction	20.523			0.00	433,158.14	433,158.14
Total Direct Programs				<u>44,966,705.70</u>	<u>35,122,242.12</u>	<u>80,088,947.82</u>
Total U.S. Department of Transportation				<u>1,086,376,423.30</u>	<u>96,446,319.56</u>	<u>1,182,822,742.86</u>
U.S. Department of Agriculture Forest Service						
Direct Program:						
Cooperative Forestry Assistance	10.664			20,133.40	0.00	20,133.40
Total U.S. Department of Agriculture Forest Service				<u>20,133.40</u>	<u>0.00</u>	<u>20,133.40</u>
U.S. Department of Commerce						
Direct Program:						
Geodetic Surveys and Services	11.400			84,343.48	0.00	84,343.48
Total U.S. Department of Commerce				<u>84,343.48</u>	<u>0.00</u>	<u>84,343.48</u>
U.S. Department of Energy						
Direct Program:						
ARRA - Energy Efficiency and Conservation Block Grant Program	81.128			1,595,201.64	0.00	1,595,201.64
Total U.S. Department of Energy				<u>1,595,201.64</u>	<u>0.00</u>	<u>1,595,201.64</u>
U.S. Department of Homeland Security						
Direct Program:						
Homeland Security Grant Program	97.067			517,000.00	0.00	517,000.00
National Incident Management System (NIMS)	97.107			1,721.43	0.00	1,721.43
Total U.S. Department of Homeland Security				<u>518,721.43</u>	<u>0.00</u>	<u>518,721.43</u>
Total Expenditures of Federal Awards				<u>1,088,594,823.25</u>	<u>96,446,319.56</u>	<u>1,185,041,142.81</u>

* CFDA is defined as Catalog of Federal Domestic Assistance

Direct payments made to other state departments:
 DNR (Included in 20.205 distributed to subrecipients above)

266,669.25

MICHIGAN DEPARTMENT OF TRANSPORTATION
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FISCAL YEAR ENDING SEPTEMBER 30, 2013

1. The State Infrastructure Bank (SIB) program was enacted by the U.S. Congress in 1995 as part of the U.S. Department of Transportation's continuing effort to increase infrastructure investment in the transportation sector. A SIB is an investment fund at the state or multi-state level with the ability to make loans to public and private entities to carry out highway construction or transit capital projects. The Federal Highway Administration (FHWA) deposited a percentage of funds apportioned to the State of Michigan in fiscal years 1998 – 2005 in an MDOT account strictly used for SIB activity. A state match equal to 25% of the federal deposit was required. These monies along with interest earnings are to remain in the SIB account and be used for purposes included in the cooperative agreement between the FHWA, Federal Transit Administration (FTA) and MDOT. At the end of fiscal year 2013, the total amount of federal, state and interest earnings equal \$23,190,644.

No loans were disbursed in fiscal year 2013.

2. Federal expenditures to primary airports in the amount of \$ 44,609,049.18 for fiscal year 2013 are not included in the SEFA report under the Airport Improvement Program (CFDA 20.106). MDOT is channeling the Federal Aviation Administration (FAA) funds to the primary airports, per P.A. 327 of 1945. The FAA determined that MDOT has no oversight responsibility for grants to primary airports. Primary airport expenditures will not be reported in the SEFA because compliance with federal regulations is the responsibility of the primary airport and not MDOT.

MICHIGAN DEPARTMENT OF TRANSPORTATION
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FISCAL YEAR ENDING SEPTEMBER 30, 2012

1. The State Infrastructure Bank (SIB) program was enacted by the U.S. Congress in 1995 as part of the U.S. Department of Transportation's continuing effort to increase infrastructure investment in the transportation sector. A SIB is an investment fund at the state or multi-state level with the ability to make loans to public and private entities to carry out highway construction or transit capital projects. The Federal Highway Administration (FHWA) deposited a percentage of funds apportioned to the State of Michigan in fiscal years 1998 – 2005 in an MDOT account strictly used for SIB activity. A state match equal to 25% of the federal deposit was required. These monies along with interest earnings are to remain in the SIB account and be used for purposes included in the cooperative agreement between the FHWA, Federal Transit Administration (FTA) and MDOT. At the end of fiscal year 2012, the total amount of federal, state and interest earnings equal \$22,914,115.

No loans were disbursed in fiscal year 2012.

2. Federal expenditures to primary airports in the amount of \$76,521,926.98 for fiscal year 2012 are not included in the SEFA report under the Airport Improvement Program (CFDA 20.106). MDOT is channeling the Federal Aviation Administration (FAA) funds to the primary airports, per P.A. 327 of 1945. The FAA determined that MDOT has no oversight responsibility for grants to primary airports. Primary airport expenditures will not be reported in the SEFA because compliance with federal regulations is the responsibility of the primary airport and not MDOT. Primary airports had expenditures of American Recovery and Reinvestment Act (ARRA) grants totaling \$852,190.29 for fiscal years 2012.



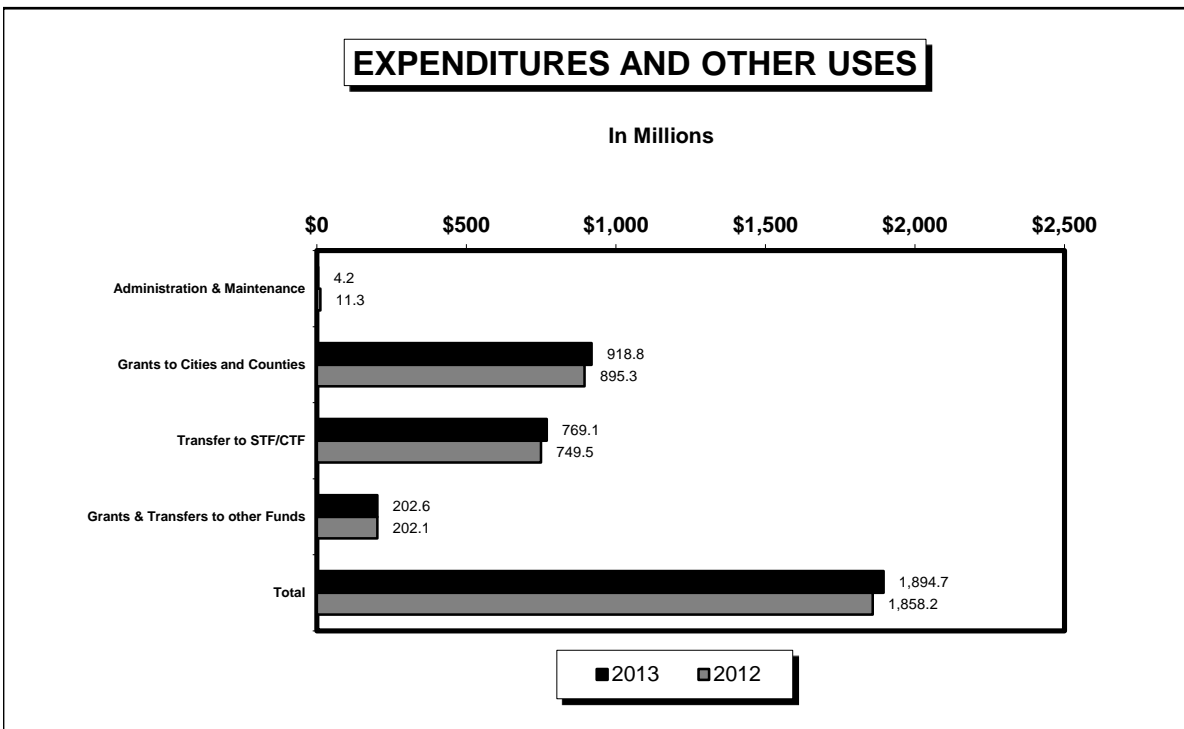
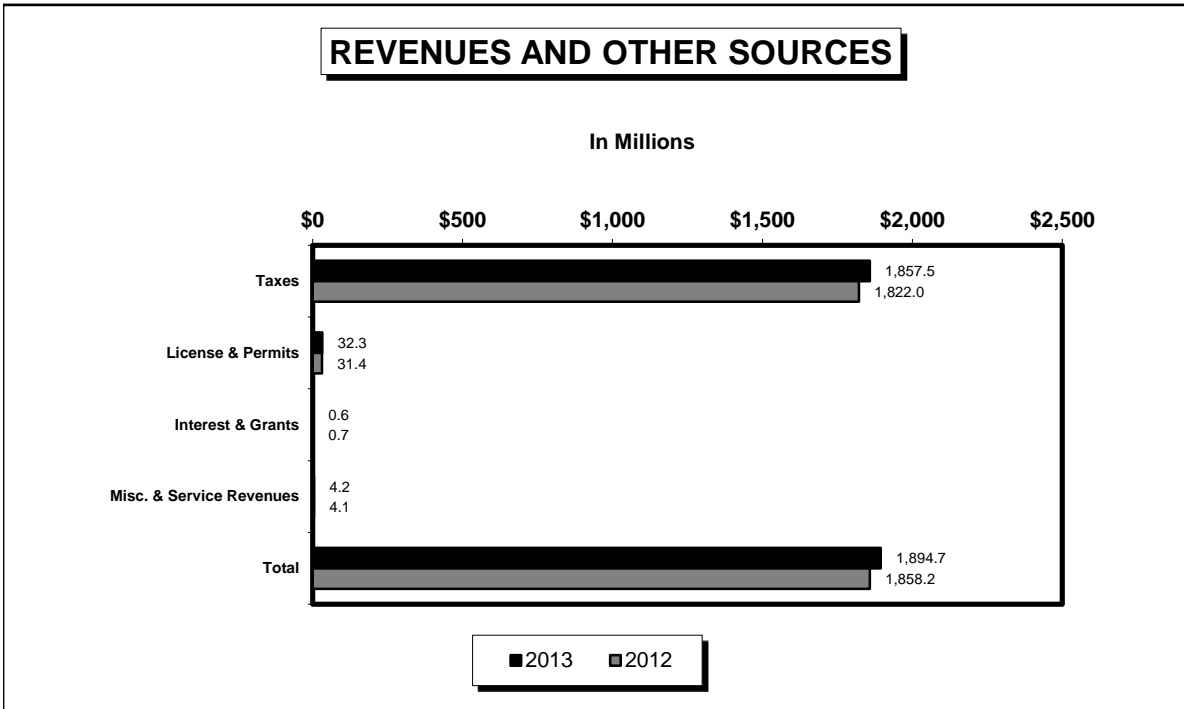
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GRAPHIC PRESENTATIONS

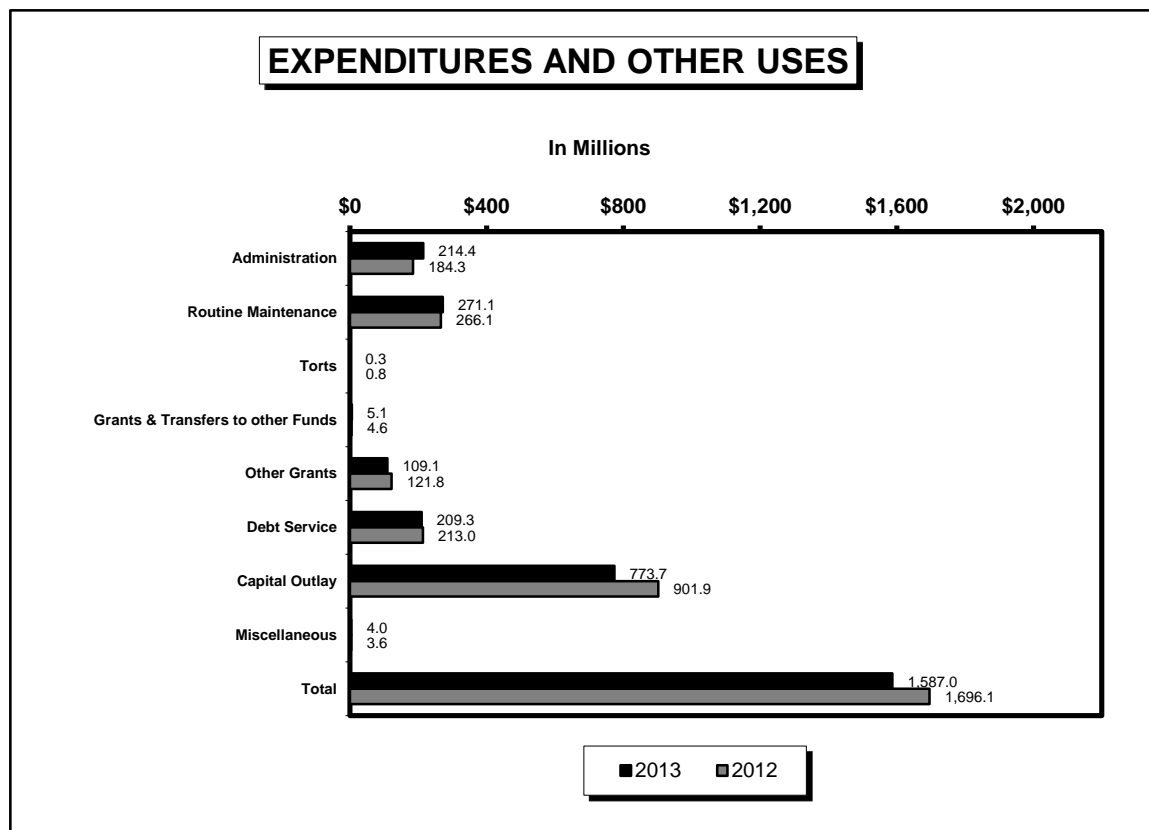
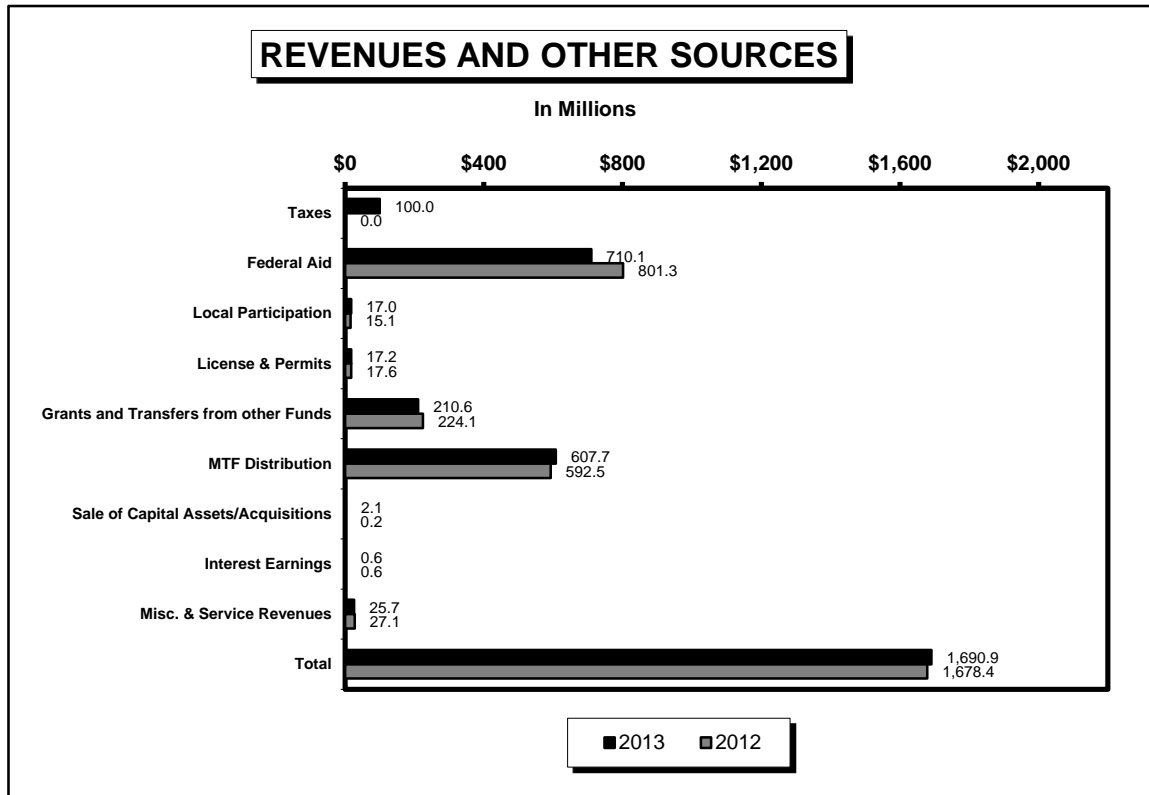
MICHIGAN DEPARTMENT OF TRANSPORTATION MICHIGAN TRANSPORTATION FUND GRAPHICS

FISCAL YEARS ENDED SEPTEMBER 30, 2013 AND 2012



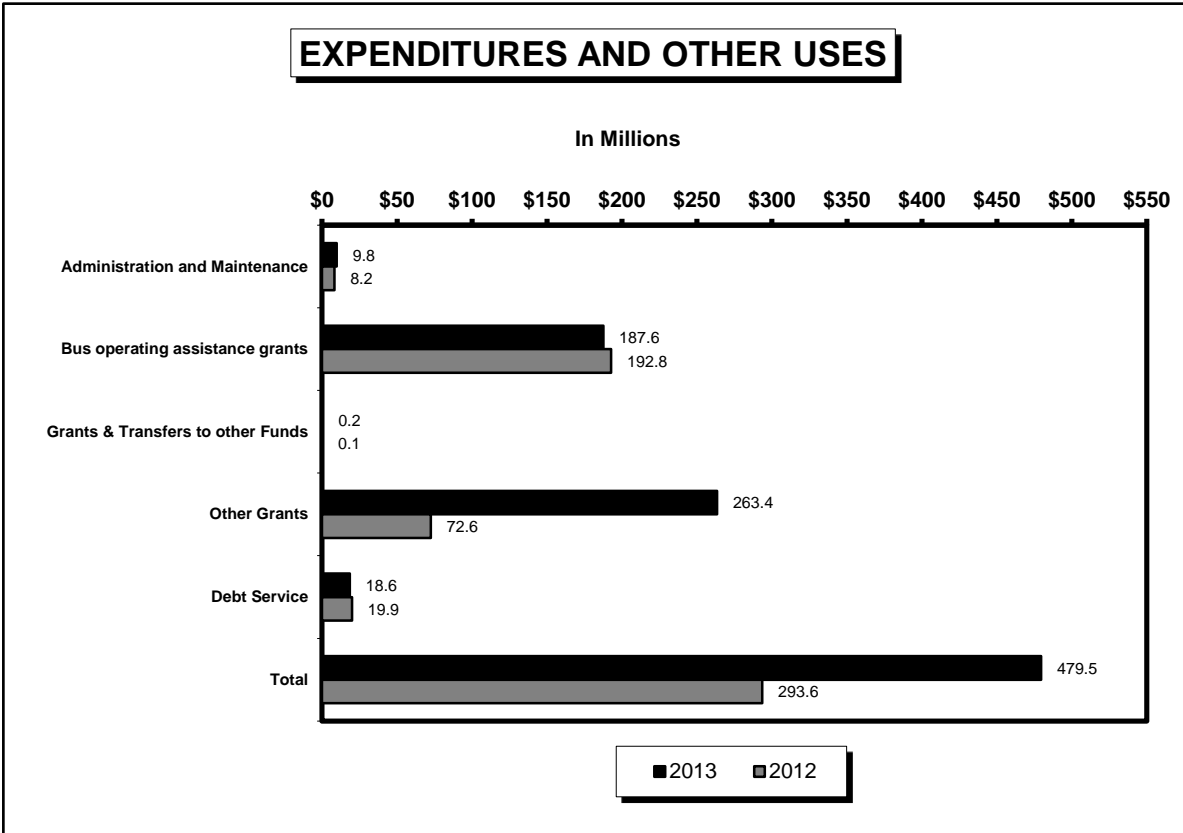
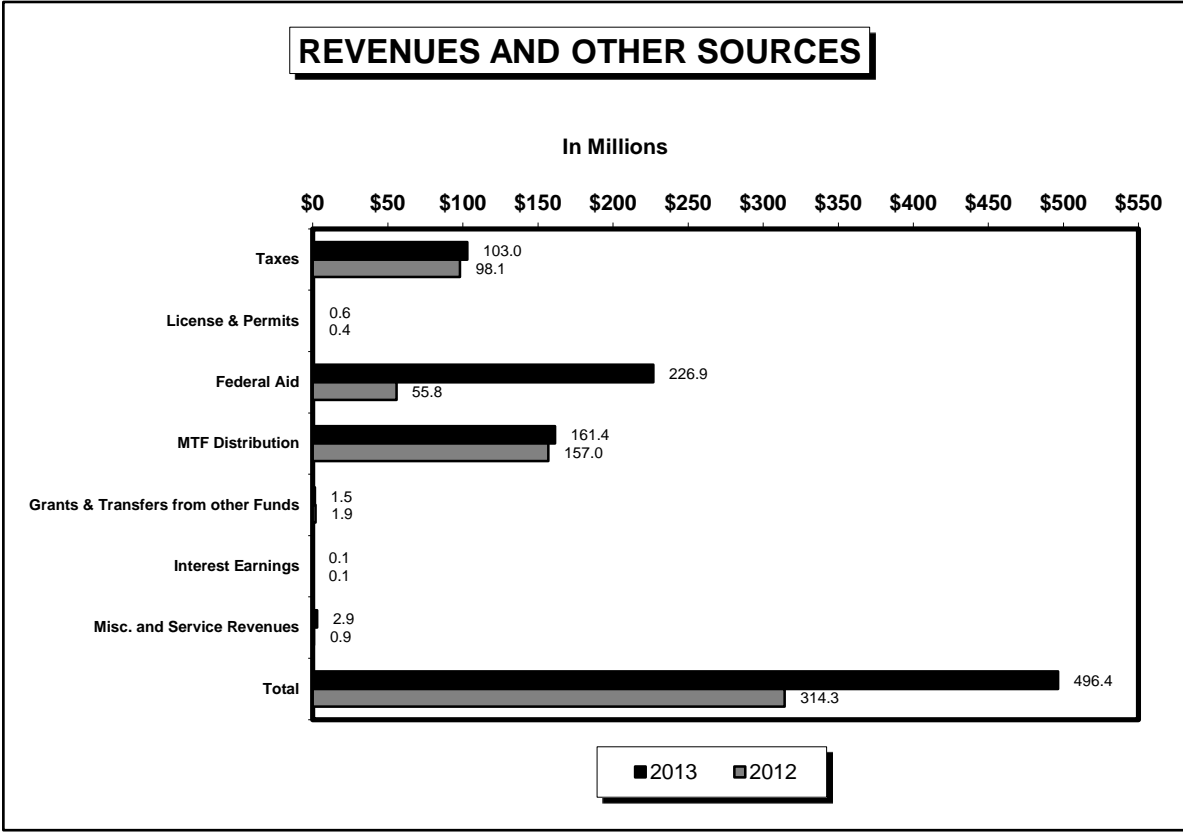
MICHIGAN DEPARTMENT OF TRANSPORTATION STATE TRUNKLINE FUND GRAPHICS

Includes Economic Development Fund
FISCAL YEARS ENDED SEPTEMBER 30, 2013 AND 2012

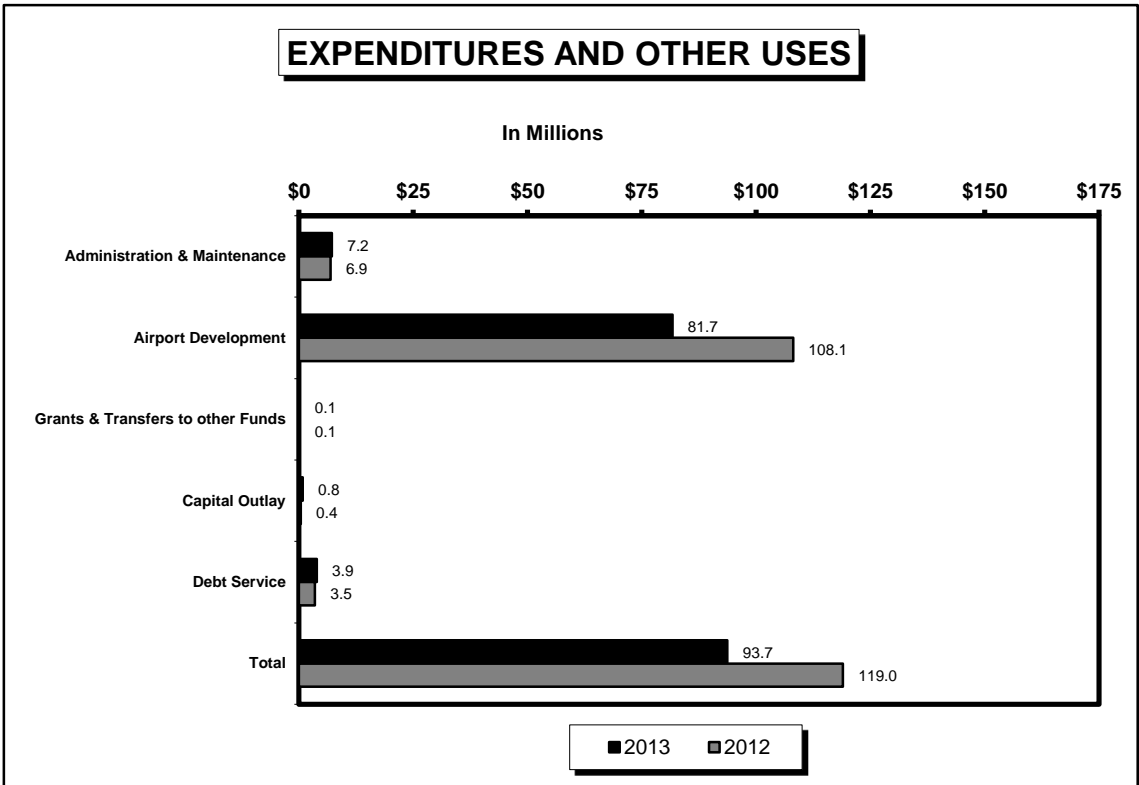
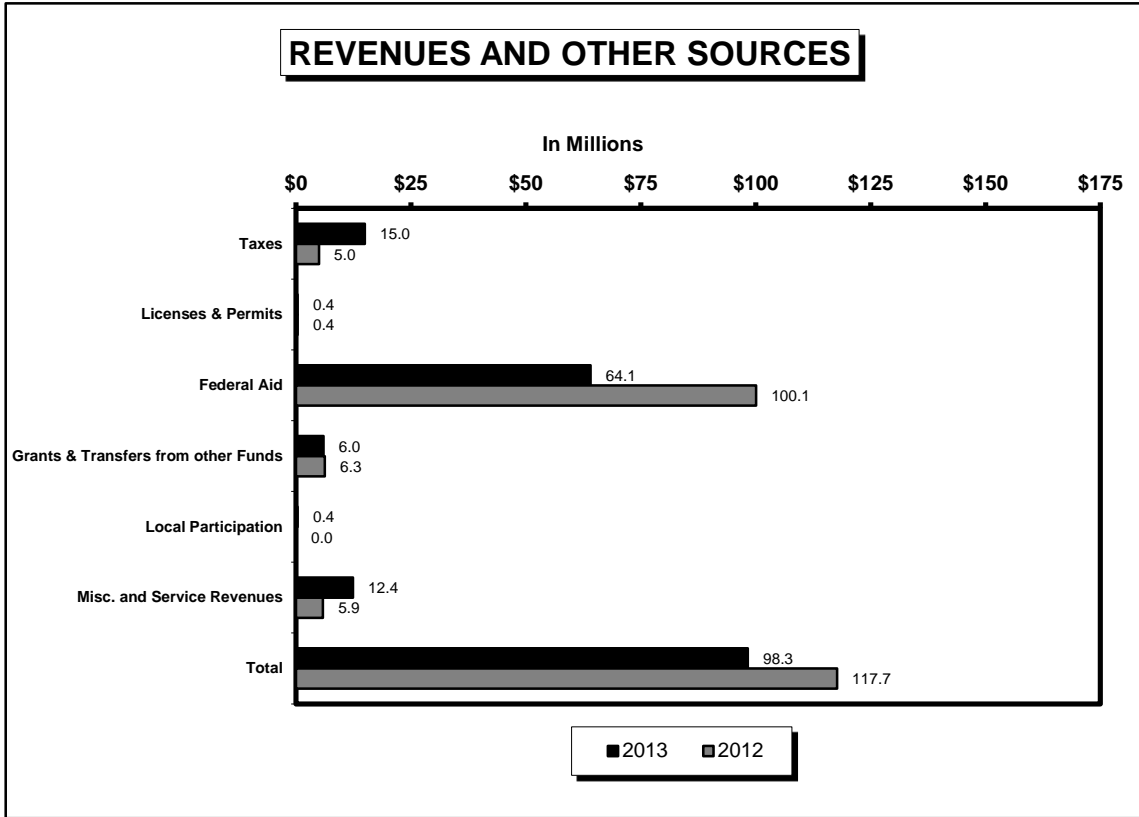


MICHIGAN DEPARTMENT OF TRANSPORTATION COMPREHENSIVE TRANSPORTATION FUND GRAPHICS

FISCAL YEARS ENDED SEPTEMBER 30, 2013 AND 2012

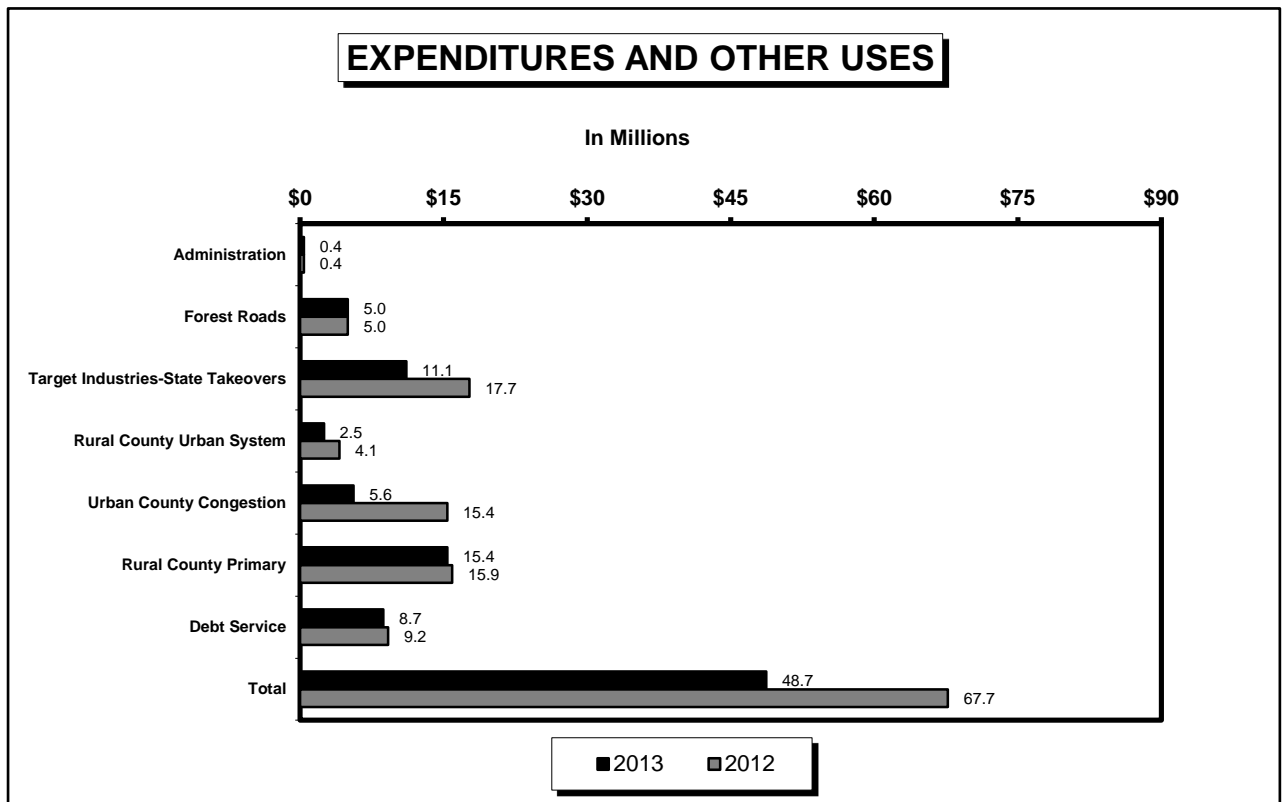
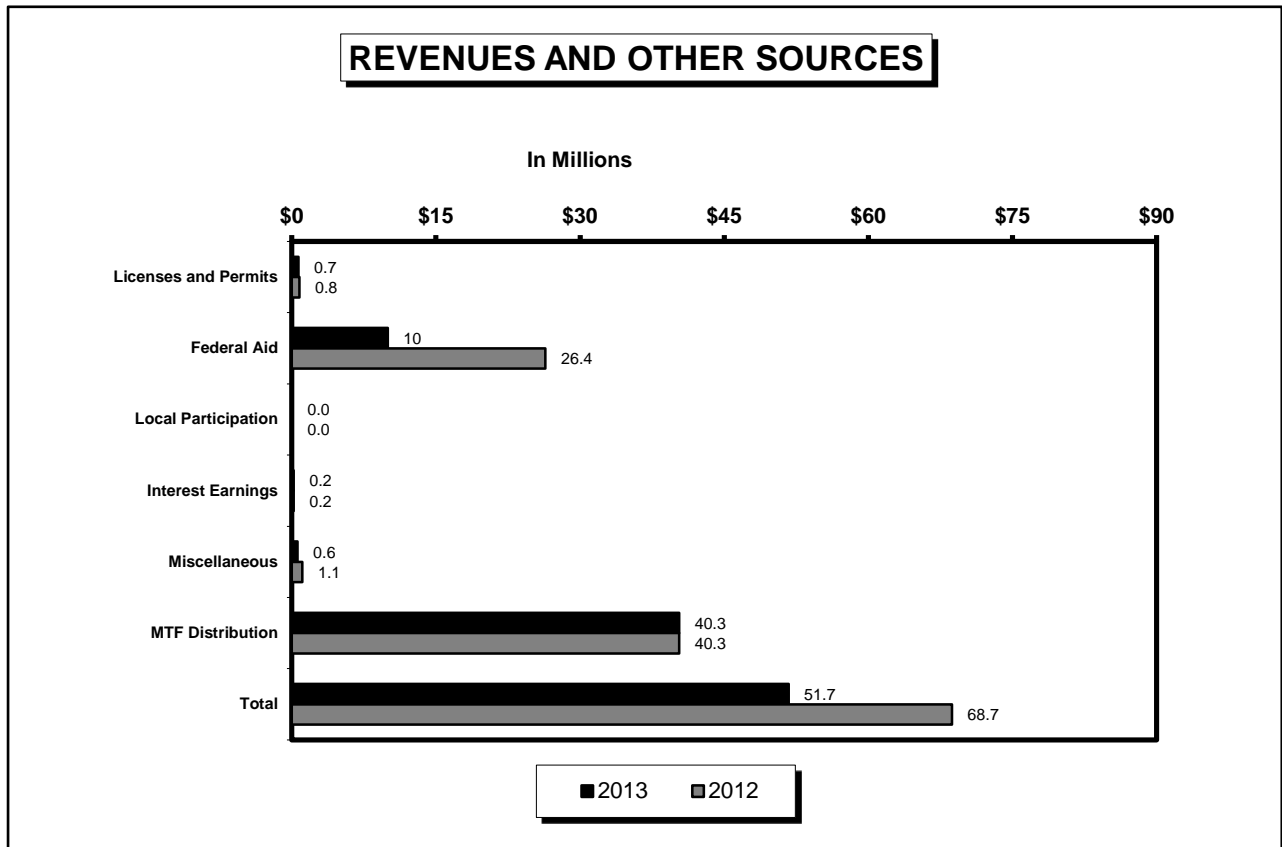


MICHIGAN DEPARTMENT OF TRANSPORTATION
STATE AERONAUTICS FUND GRAPHICS
 FISCAL YEARS ENDED SEPTEMBER 30, 2013 AND 2012

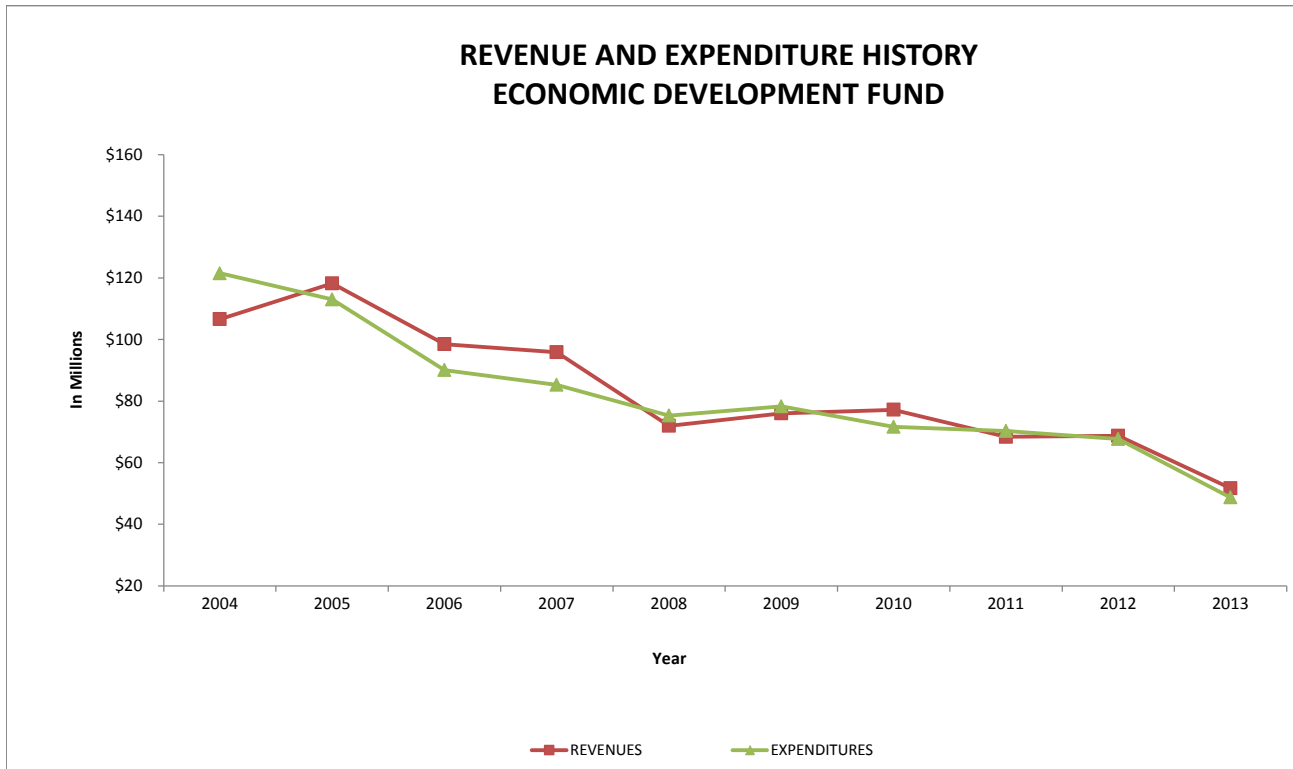
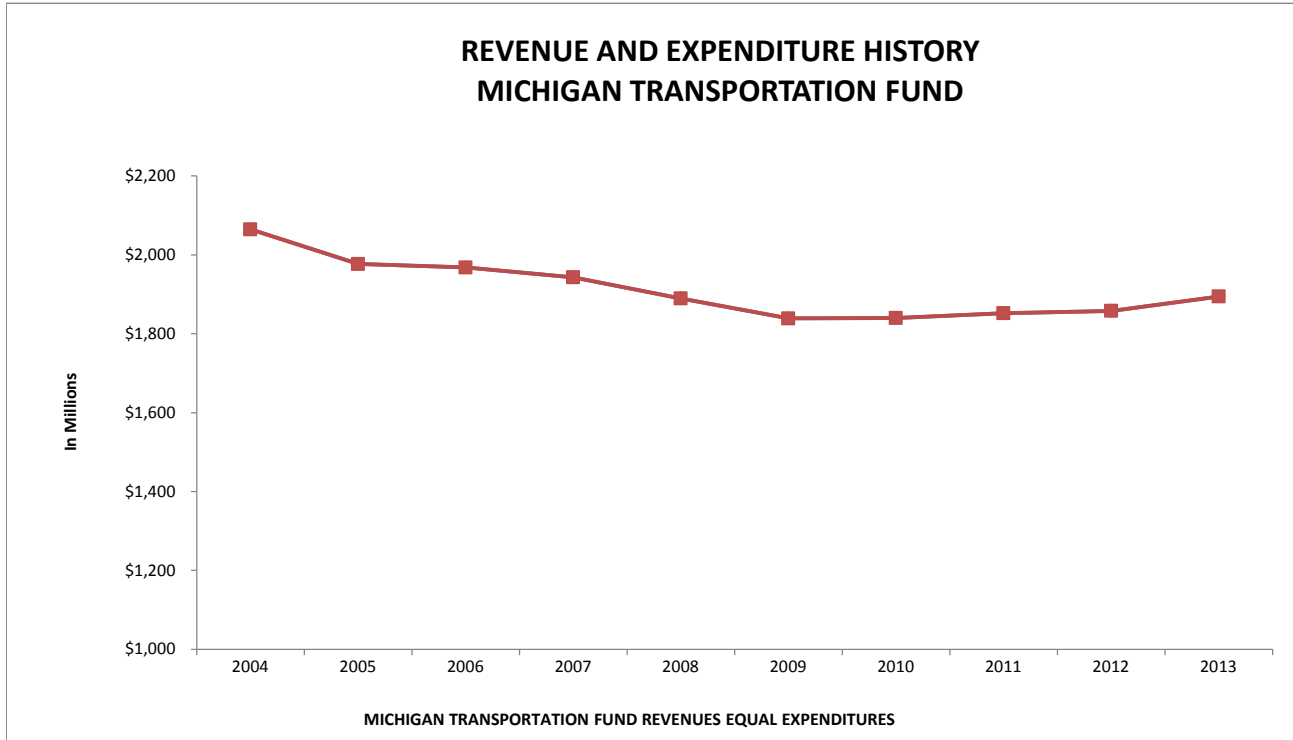


MICHIGAN DEPARTMENT OF TRANSPORTATION ECONOMIC DEVELOPMENT FUND GRAPHICS

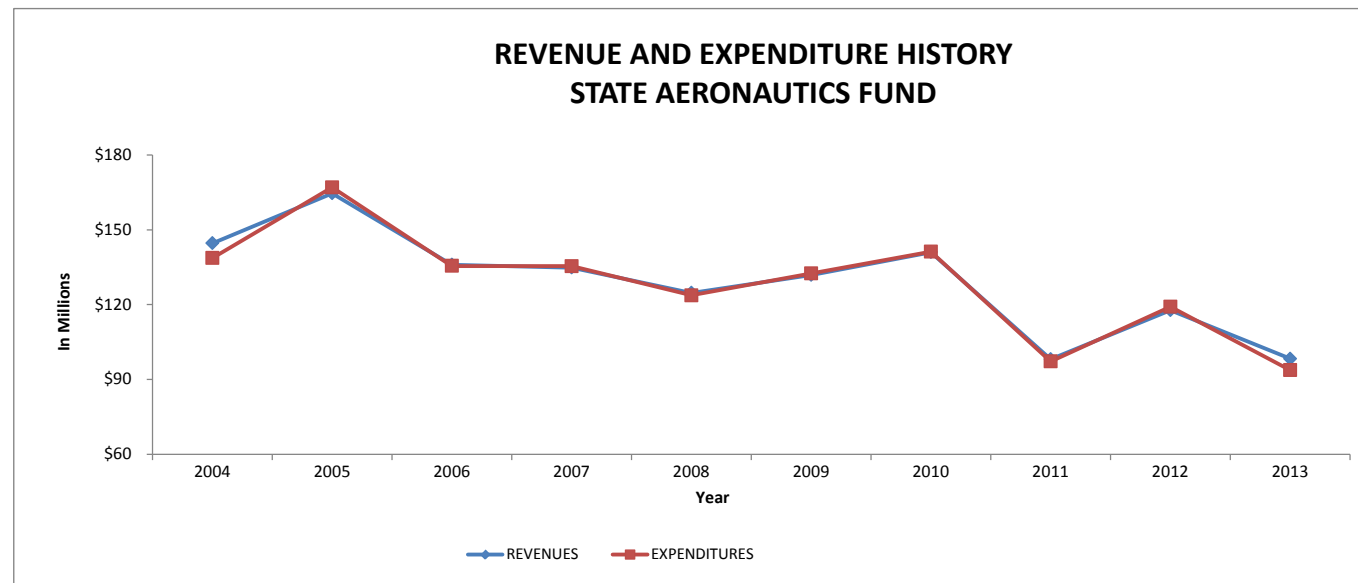
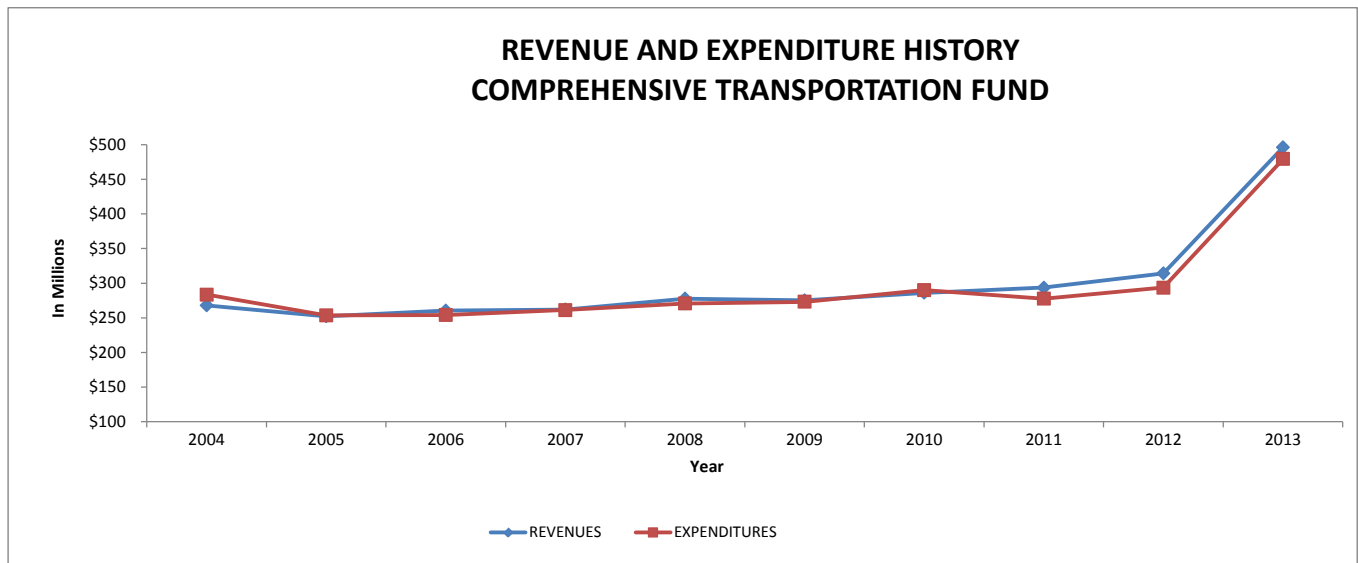
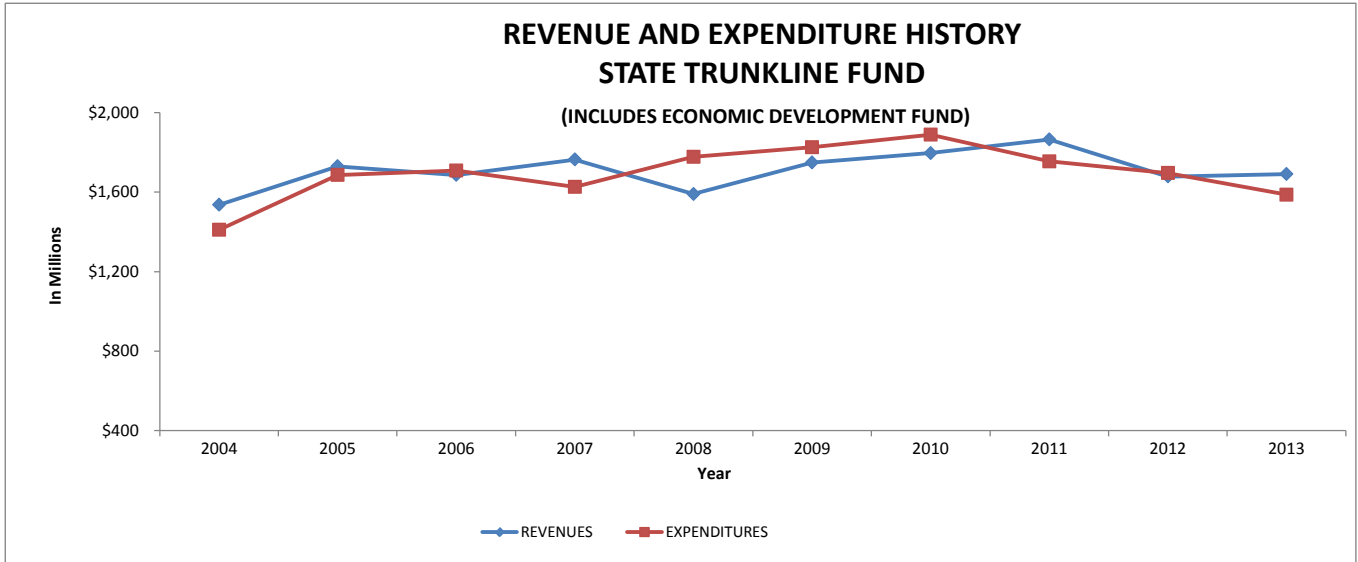
FISCAL YEARS ENDED SEPTEMBER 30, 2013 AND 2012



MICHIGAN DEPARTMENT OF TRANSPORTATION
TEN YEAR REVENUE AND EXPENDITURE HISTORY

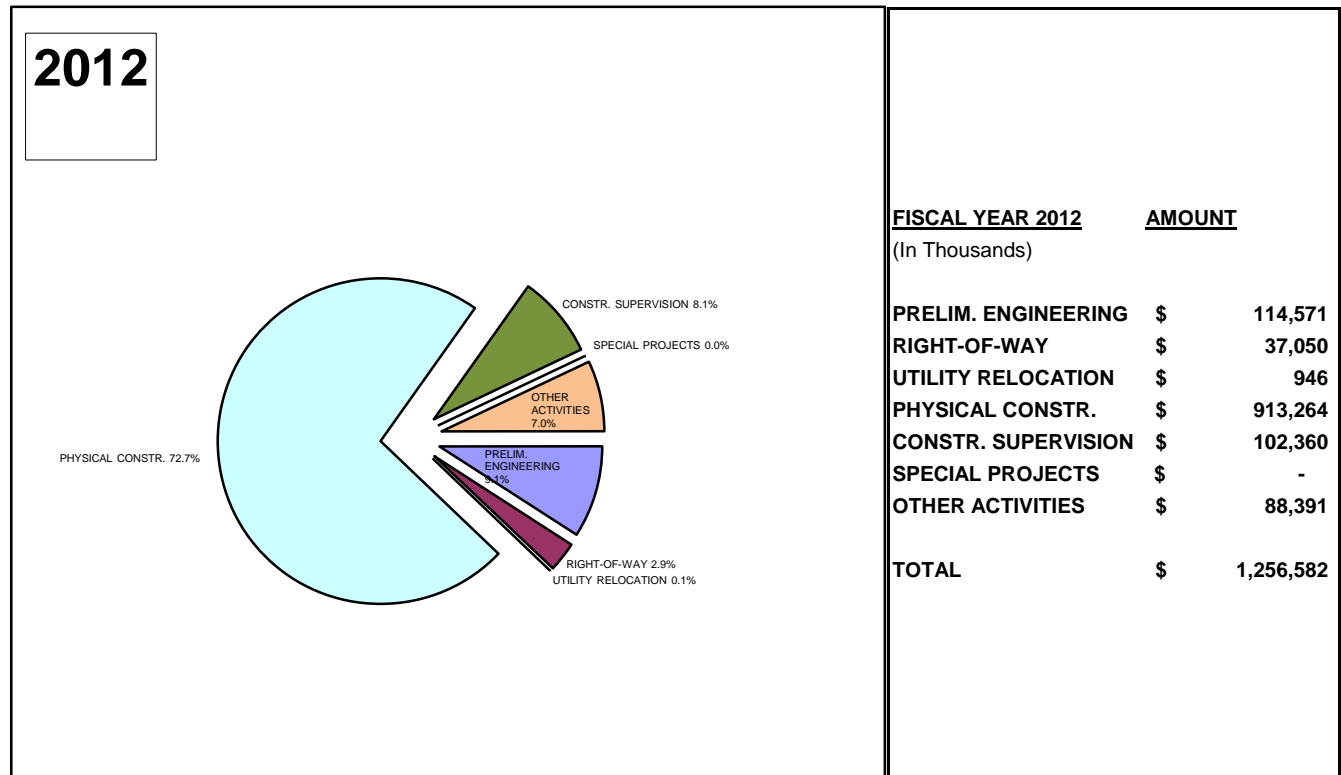
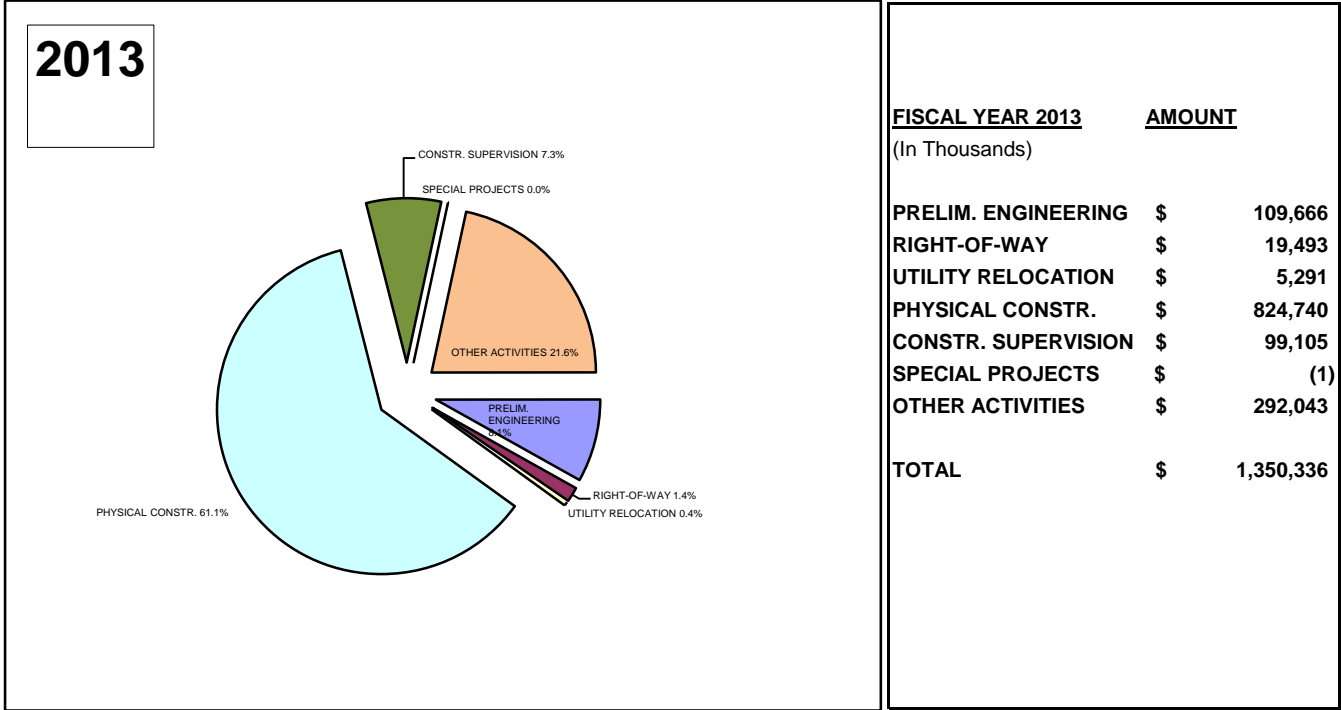


MICHIGAN DEPARTMENT OF TRANSPORTATION
TEN YEAR REVENUE AND EXPENDITURE HISTORY



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

FISCAL YEARS ENDED SEPTEMBER 30, 2013 AND 2012





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