

# 2020

## ANNUAL FINANCIAL REPORT

### Michigan Department of Transportation



*Fiscal Year Ended September 30, 2020*



# MICHIGAN DEPARTMENT OF TRANSPORTATION

## ANNUAL FINANCIAL REPORT

Fiscal Years Ended September 30, 2020 & 2019

Prepared by:

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

**MICHIGAN DEPARTMENT OF TRANSPORTATION  
ANNUAL FINANCIAL REPORT  
FISCAL YEAR ENDED SEPTEMBER 30, 2020**

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



STATE OF MICHIGAN  
**DEPARTMENT OF TRANSPORTATION**  
LANSING

GRETCHEN WHITMER  
GOVERNOR

PAUL C. AJEGBA  
DIRECTOR

April 27, 2021

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

Paul C. Ajegba, P.E.  
Michigan Department of Transportation  
425 W. Ottawa  
Lansing, Michigan 48913

Dear State Transportation Commission and Director Ajegba:

We are pleased to present the Annual Financial Report for the Michigan Department of Transportation (MDOT) for the fiscal years (FY) ending September 30, 2019 and 2020. This report was prepared by the Bureau of Finance & 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 MDOT's operations.

This report is following 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**

While overall revenues increased slightly due to the continued phase in of the state transportation revenue package signed into law November 10, 2015, MDOT did see significant declines in our motor fuel tax revenues due to travel restrictions put in place in response to COVID-19. Since the state transportation revenue package began, the overall increase in the Michigan Transportation Fund (MTF) through fiscal year end September 30, 2020 is \$1,097.5 million. When fully implemented, it is anticipated that revenue will continue to increase to an annual amount of \$1,200 million total in 2021.

On January 30, 2020, the State Transportation Commission authorized the issuance and sale of up to \$3.5 billion in State of Michigan State Trunk Line Fund bonds. This funding will rebuild major freeways and bridges in the State's most heavily trafficked corridors. As of the end of FY 2020, MDOT has issued the first \$800 million in bonds for the Governor's Rebuilding Michigan Program.

The following table summarizes the changes, in millions, from FY 2019 to FY 2020 in the various revenue sources:

**Revenue source table**

REVENUE SOURCE	FY 2020	FY 2019	Change
<b>Michigan Transportation Fund</b>			
Motor Vehicle Registration	\$1,345	\$1,354	(\$9)
Gasoline, Diesel and Alternative fuel taxes	\$1,318	\$1,460	(\$142)
Motor Vehicle Title Fees	\$31	\$37	(\$6)
Income Tax Redirection	\$468	\$264	\$204
<b>State Trunk Line Fund</b>			
Local Agencies	\$21	\$17	\$4
Federal Agencies	\$967	\$855	\$112
Licenses and Permits	\$7	\$17	(\$10)
<b>Comprehensive Transportation Fund</b>			
Public Transportation Services	\$240	\$254	(\$14)
Federal Agencies	\$75	\$39	\$36
Motor Fuel Taxes	\$90	\$97	(\$7)
<b>State Aeronautics Fund</b>			
Aviation Fuel Tax	\$14	\$16	(\$2)
Federal Agencies	\$234	\$67	\$167

**PROGRAM OVERVIEW**

MDOT'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 2020, MDOT was confronted with increased project costs, stretched budgets, and an aging infrastructure.

The Capital Program provided Michigan travelers with approximately 938 lane miles of improved roads and 261 rehabilitated and maintained bridges. Additionally, MDOT managed good and fair roads by extending the life on about 1,553 lane miles of pavement through the Capital Preventive Maintenance Program. With the FY 2020 Highway Program investment, MDOT continued to positively influence Michigan's economy by supporting 24,600 jobs.

The FY 2020 Highway Program invested \$1.98 billion to maintain the approximately 9,700 route mile (32,000 lane miles) state trunkline system, including pre-construction phases (project scoping, environmental clearance, design, and right-of-way acquisition), construction projects and other miscellaneous programs. Highlights of the FY 2020 Highway Program include pavement preservation activities, including road rehabilitation and reconstruction and capital preventive maintenance totaling \$1.130 billion. Bridge preservation activities, including bridge rehabilitation and reconstruction and bridge capital preventive maintenance, totaled \$203 million. Routine maintenance activities total an estimated \$363 million; this includes pothole filling, snow plowing, sweeping, and grass cutting. The rest of the Highway Program included a combined \$289 million between Trunkline Modernization, System Operations, Traffic and Safety, and other miscellaneous programs.

MDOT continued its focus on the preservation of existing public transportation services. This was done by distributing \$196.8 million in Comprehensive Transportation Fund (CTF) monies and allocating \$51.3 million in federal operating, capital, and emergency relief funds for local transit operations. Also allocated was \$35.8 million CTF to match federal capital funds of \$143.2 million. Additionally, the Office of Passenger Transportation (OPT) provided \$275,000 in 100 percent state capital funds for transit bus replacement and \$3.2 million in state funds for service initiatives around the state and for participation in the Automated Bus Consortium (ABC). ABC is a partnership of public entities around the country that will develop vehicle specifications to procure and deploy large, accessible, electric automated buses to help inform the use of autonomous vehicles (AVs) in public transit. Funding for intercity services was provided at \$1.5 million from the CTF and \$9.0 million in federal operating, capital, and emergency relief funds to maintain intercity bus services in nearly 130 Michigan communities, on 41 routes, to enhance both customer and carrier safety. Customer service and safety were also the focus of OPT/MDOT's ongoing safety certification of private motor bus carriers as required in P.A. 432. Those services were provided to 153 carriers and 1,345 vehicles.

State budget reductions affected CTF programs resulting in a reduction of approximately \$26 million for FY 2020. Capital purchases and service initiative projects were most dramatically affected by these reductions.

MDOT 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. Several projects were undertaken to help ensure continued rail access to shippers and enhance the safety and efficiency of the lines. MDOT invested over \$8.2 million in these lines during FY2020. Through the Freight Economic Development Program, MDOT approved nine new projects, investing nearly \$2.6 million to provide rail access for new and expanding businesses across the state. MDOT also provided over \$400,000 in legislatively mandated operating assistance to the Detroit-Wayne County Port Authority for administrative and marketing expenditures.

MDOT provided funding for 23 grade crossing safety enhancement projects on roads under county, city, or village jurisdiction and 22 crossing projects on state trunklines, investing a total of over \$15.9 million in dedicated federal and state crossing safety funds in the interest of motorist safety. An additional 42 projects were approved for funding under the Local Grade Crossing Surface Improvement Program; MDOT's 60 percent project share totaled \$2.7 million.

State funds were also used to support intercity passenger rail service to 22 Michigan station communities and improve the state-owned accelerated rail corridor, all to enhance mobility and spur economic development along Michigan's passenger rail corridors. MDOT distributed \$18.1 million in CTF monies to support passenger rail operations along the Wolverine, Pere Marquette and Blue Water routes. In addition, MDOT continued to invest CTF dollars in maintenance activities and infrastructure upgrades to benefit both passengers and freight users along MDOT's 135-mile accelerated rail corridor between Kalamazoo and Dearborn. Investments totaling \$23.6 million supported efforts to maintain a state of good repair, set the stage for higher-speed service and reduce passenger travel times, ensuring MDOT's continued compliance with the terms of earlier federal grants received to purchase and upgrade the corridor. Capital projects during FY 2020 included installing new rail, ties, and ballast; culvert replacement; and bridge work.

MDOT oversaw the Coronavirus Aid, Relief, and Economic Security (CARES) Act Grants provided to 93 Michigan airports affected by the prevention of, preparation for, and response to the COVID-19 pandemic for a total of \$256,958,769 in economic relief. Grants under the CARES Act provided eligible airports with resources needed to maintain operations during times of reduced aviation activity because of the pandemic. With the entirety of eligible costs being reimbursed by the Federal Aviation Administration at a rate of 100 percent, these grants required no state or local match. In addition, the CARES Act also provided the local and state match for 2020 Airport Capital Improvement Grants through the Airport Improvement Program (AIP). The Federal Aviation Administration (FAA) AIP enables projects to be undertaken at Michigan airports to improve aviation safety, preserve or improve the existing infrastructure, enable purchase of airfield equipment, improve, or construct new facilities at airports, and support local economic growth by increasing the capacity of airport facilities. MDOT oversaw \$95,655,248 in 2020 AIP Grant funding; \$53,970,699 for 14 of Michigan's primary airports and \$41,684,549 for 75 of Michigan's general aviation airports. MDOT 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 fair pavement. Recent inspections reveal 87 percent of the runways (measured with newer, more stringent criteria) met the good or better pavement criteria.

## **CONCLUSION**

During the year, \$5.1 billion was expended from all revenue sources to address Michigan's transportation needs. MDOT strives to make wise investment decisions with its limited resources to maximize the results achieved. This has fostered many innovative ideas in MDOT 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 MDOT's financial condition.

Sincerely,

Patrick McCarthy, Director  
Bureau of Finance & Administration



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# 2020

## ANNUAL FINANCIAL REPORT

# Financial Section





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**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, 2020 and 2019  
 (In Thousands)

GOVERNMENTAL FUND TYPES

	SPECIAL REVENUE		DEBT SERVICE	
	2020	2019	2020	2019
<b>ASSETS</b>				
Current Assets:				
Cash and cash equivalents	\$ 3,815	\$ 4,230	\$ -	\$ -
Equity in Common Cash	249,861	257,596	30	-
Receivables:				
Taxes, interest, and penalties (at net)	132,251	139,362	-	-
Other funds	69,145	44,434	-	-
Component Units	-	-	-	-
Federal aid	29,021	16,822	-	-
Local units	610	2,381	-	-
Inventories	-	-	-	-
Other Current Assets	23,873	3,016	-	-
<b>Total Current Assets</b>	<b>508,576</b>	<b>467,841</b>	<b>30</b>	<b>-</b>
Noncurrent Assets:				
Receivables:				
Taxes	3,314	3,595	-	-
Federal aid	-	-	-	-
Local units	-	-	-	-
Advances to other funds	-	-	-	-
Land contracts	-	-	-	-
Miscellaneous	-	-	-	-
<b>Total Noncurrent Assets</b>	<b>3,314</b>	<b>3,595</b>	<b>-</b>	<b>-</b>
<b>Total Assets</b>	<b>\$ 511,890</b>	<b>\$ 471,435</b>	<b>\$ 30</b>	<b>\$ -</b>
<b>LIABILITIES AND FUND BALANCES</b>				
Current Liabilities:				
Warrants outstanding	\$ -	\$ -	\$ -	\$ -
Accounts payable	254,297	219,716	-	-
Contract reserve payable	-	-	-	-
Due to other funds and Components	21,126	18,511	-	-
Amounts held for others	-	-	-	-
Unearned revenue	72	282	-	-
<b>Total Current Liabilities</b>	<b>275,494</b>	<b>238,509</b>	<b>-</b>	<b>-</b>
Long-Term Liabilities:				
Unearned revenue	2	4	-	-
<b>Total Long-Term Liabilities</b>	<b>2</b>	<b>4</b>	<b>-</b>	<b>-</b>
<b>Total Liabilities</b>	<b>275,497</b>	<b>238,513</b>	<b>-</b>	<b>-</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>	<b>12,904</b>	<b>11,945</b>	<b>-</b>	<b>-</b>
Fund Balance:				
Nonspendable	-	-	-	-
Restricted	223,489	220,978	30	-
Committed	-	-	-	-
Assigned	-	-	-	-
<b>Total Fund Balances</b>	<b>223,489</b>	<b>220,978</b>	<b>30</b>	<b>-</b>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</b>	<b>\$ 511,890</b>	<b>\$ 471,435</b>	<b>\$ 30</b>	<b>\$ -</b>

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

CAPITAL PROJECTS		TOTALS	
2020	2019	2020	2019
\$ 31	\$ 64	\$ 3,846	\$ 4,293
2,005,240	959,567	2,255,132	1,217,163
251	533	132,502	139,894
16,345	14,316	85,490	58,750
1,489	1,726	1,489	1,726
327,641	271,711	356,662	288,533
121,329	93,640	121,939	96,021
15,453	10,394	15,453	10,394
13,212	48,199	37,085	51,215
<u>2,500,992</u>	<u>1,400,149</u>	<u>3,009,598</u>	<u>1,867,990</u>
3	18	3,317	3,612
-	-	-	-
55,611	49,870	55,611	49,870
-	-	-	-
-	-	-	-
<u>55,613</u>	<u>49,888</u>	<u>58,927</u>	<u>53,482</u>
\$ <u>2,556,606</u>	\$ <u>1,450,037</u>	\$ <u>3,068,525</u>	\$ <u>1,921,472</u>
\$ -	\$ -	\$ -	\$ -
389,436	349,249	643,733	568,965
-	-	-	-
70,282	45,503	91,408	64,013
-	-	-	-
5,663	1,947	5,734	2,229
<u>465,381</u>	<u>396,699</u>	<u>740,876</u>	<u>635,207</u>
84	87	86	91
<u>84</u>	<u>87</u>	<u>86</u>	<u>91</u>
<u>465,465</u>	<u>396,785</u>	<u>740,962</u>	<u>635,298</u>
6	21	12,910	11,966
15,454	10,394	15,454	10,394
2,075,681	1,042,837	2,299,200	1,263,814
-	-	-	-
<u>2,091,134</u>	<u>1,053,231</u>	<u>2,314,653</u>	<u>1,274,208</u>
\$ <u>2,556,606</u>	\$ <u>1,450,037</u>	\$ <u>3,068,525</u>	\$ <u>1,921,472</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, 2020 and 2019  
(In Thousands)

	GOVERNMENTAL FUND TYPES			
	SPECIAL REVENUE		DEBT SERVICE	
	2020	2019	2020	2019
<b>REVENUES</b>				
Taxes	\$ 3,221,531	\$ 3,175,109	\$ -	\$ -
Federal aid	75,257	38,764	-	-
Local participation	-	-	-	-
Services	4,526	4,294	-	-
License and permits	31,154	37,350	-	-
Interest earnings	4,837	8,192	-	-
Non-operating revenue-bridges	-	-	-	-
Miscellaneous	12,132	11,794	2	2
<b>Total Revenues</b>	<b>3,349,437</b>	<b>3,275,503</b>	<b>2</b>	<b>2</b>
<b>EXPENDITURES</b>				
Administration and Operations:				
Administration and maintenance	31,511	29,893	-	1
Bus operating assistance grants	226,867	223,641	-	-
Other grants	1,776,108	1,694,423	-	-
Airport development	-	-	-	-
Non-operating expenditures-bridges	-	-	-	-
Trust fund construction activity	-	-	-	-
Capital lease payments	-	-	-	-
Costs of issuance	-	-	545	2
Bond principal retirement	-	-	161,665	158,965
Bond interest and fiscal charges	-	-	52,232	60,472
<b>Total Administration and Operations</b>	<b>2,034,486</b>	<b>1,947,957</b>	<b>214,443</b>	<b>219,439</b>
Capital Outlay:				
Roads and bridges	-	-	-	-
Other capital outlay	-	-	-	-
<b>Total Capital Outlay</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Expenditures</b>	<b>2,034,486</b>	<b>1,947,957</b>	<b>214,443</b>	<b>219,439</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>1,314,951</b>	<b>1,327,546</b>	<b>(214,440)</b>	<b>(219,437)</b>
<b>OTHER FINANCING SOURCES</b>				
Capital Lease Acquisitions	-	-	-	-
Proceeds from sale of capital assets	16	-	-	-
Michigan Transportation Fund distribution	240,424	254,029	-	-
Grants and transfers from other funds	1,425	1,364	213,897	219,437
Proceeds from bonds and notes issued	-	-	103,485	-
Premium on bonds issued	-	-	7,675	-
<b>Total Other Financing Sources</b>	<b>241,865</b>	<b>255,393</b>	<b>325,057</b>	<b>219,437</b>
<b>OTHER FINANCING USES</b>				
Michigan Transportation Fund distribution	1,300,079	1,291,072	-	-
Grants and transfers to other funds	235,126	239,419	-	-
Discount on bonds issued	-	-	-	-
Debt service	10,896	19,401	-	-
Payment to refunded bond escrow agent	-	-	110,587	-
<b>Total Other Financing Uses</b>	<b>1,546,101</b>	<b>1,549,892</b>	<b>110,587</b>	<b>-</b>
<b>Excess of Other Financing Sources Over (Under) Other Financing Uses</b>	<b>(1,304,237)</b>	<b>(1,294,500)</b>	<b>214,470</b>	<b>219,437</b>
<b>Excess of Revenue and Other Sources Over (Under) Expenditures and Other Uses</b>	<b>10,714</b>	<b>33,047</b>	<b>30</b>	<b>-</b>
Fund balances-Beginning of fiscal year	Note 1 212,775	187,931	-	-
<b>Fund balances-End of fiscal year</b>	<b>\$ 223,489</b>	<b>\$ 220,978</b>	<b>\$ 30</b>	<b>\$ -</b>

Note 1 The beginning fund balance for the Capital Projects fund was restated in FY20 due to the MiRLap program being reclassified to the Special Revenues fund.

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

				TOTALS (Memorandum Only)	
CAPITAL PROJECTS					
2020		2019		2020	
2019		2019		2019	
\$	13,933	\$	15,579	\$	3,235,464
	1,626,774		1,223,655		1,702,031
	20,862		17,453		20,862
	3,442		3,816		7,967
	7,320		17,804		38,473
	8,344		17,540		13,180
	4,127		4,075		4,127
	88,798		161,078		100,932
	<u>1,773,598</u>		<u>1,460,999</u>		<u>5,123,037</u>
	644,418		623,355		675,929
	-		-		226,867
	283,256		128,803		2,059,364
	105,459		82,014		105,459
	3,919		3,871		3,919
	346,062		269,615		346,062
	21,656		587		21,656
	-		-		545
	-		-		161,665
	-		-		52,232
	<u>1,404,769</u>		<u>1,108,246</u>		<u>3,653,698</u>
	1,601,180		1,332,260		1,601,180
	5,149		4,080		5,149
	<u>1,606,329</u>		<u>1,336,340</u>		<u>1,606,329</u>
	3,011,099		2,444,586		5,260,027
	<u>(1,237,500)</u>		<u>(983,587)</u>		<u>(136,990)</u>
	205,902		514		205,902
	206		660		222
	1,059,655		1,037,043		1,300,079
	278,981		235,466		494,303
	800,000		-		903,485
	217,306		-		224,980
	<u>2,562,050</u>		<u>1,273,683</u>		<u>3,128,972</u>
	-		-		1,300,079
	91,847		41,457		326,973
	-		-		-
	203,001		200,035		213,897
	-		-		110,587
	<u>294,848</u>		<u>241,492</u>		<u>1,951,536</u>
	2,267,202		1,032,191		1,177,435
	1,029,701		48,603		1,040,445
	1,053,231		1,004,627		1,266,006
\$	<u>2,082,932</u>	\$	<u>1,053,231</u>	\$	<u>2,306,451</u>
					<u>1,274,208</u>



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**MICHIGAN DEPARTMENT OF TRANSPORTATION**  
**NOTES TO FINANCIAL STATEMENTS**  
FISCAL YEAR ENDED SEPTEMBER 30, 2020

**Note 1: Significant Accounting Policies**

A. Reporting Entity

These financial statements report the financial activity of transportation related funds administered by the Michigan Department of Transportation (MDOT). MDOT 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 Annual Comprehensive Financial Report (SOMACFR). The SOMACFR 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, 2020

B. Authorities not Included as Part of Reporting Entity

Mackinac Bridge Authority

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

Sault Ste. Marie Bridge Authority

MDOT and the Federal Bridge Corporation Limited (FBCL), a Canadian Crown 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 automatically renews each successive ten-year period after September 30, 2017 and 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 in effect until September 30, 2027.

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 SOMACFR. A summary of the financial information for the SSMBA for fiscal year ending December 31, 2019 and fiscal year ending December 31, 2018 follows (In Thousands):

	<u>December 31, 2019</u>	<u>December 31, 2018</u>
Assets	\$7,328	\$5,882
Liabilities	2,936	3,193
Total Fund Balance	4,392	2,689
Total Revenues and Other Sources	8,023	7,129
Total Expenditures and Other Uses	6,320	6,066
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	1,703	1,063

**MICHIGAN DEPARTMENT OF TRANSPORTATION**  
**NOTES TO FINANCIAL STATEMENTS**  
FISCAL YEAR ENDED SEPTEMBER 30, 2020

C. Basis of Presentation

The financial transactions of MDOT are recorded in individual funds in the Statewide Integrated Governmental Management Applications (SIGMA). The various transportation funds are combined in the SOMACFR 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 SOMACFR.

E. Calculation Practice

Amounts recorded in MDOT'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, 2020

**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>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Equity in Common Cash	\$249,861	\$257,596	\$ 30	\$ -	\$2,005,240	\$959,567

The balances for the special revenue funds averaged approximately \$412.6 million and \$273.9<sup>(1)</sup> million and the balances for the capital projects funds averaged approximately \$749.1 million and \$766.4<sup>(1)</sup> million during fiscal years 2020 and 2019, 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.

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<sup>(1)</sup> Restated fiscal year 2019 average daily cash balance amounts, as a process has been established which utilizes a more granular approach to the data for this calculation.

**MICHIGAN DEPARTMENT OF TRANSPORTATION**  
**NOTES TO FINANCIAL STATEMENTS**  
FISCAL YEAR ENDED SEPTEMBER 30, 2020

**Note 3: Current Receivables**

A. Allowance for Doubtful Accounts

Current receivables recorded in the financial statements represent amounts due to MDOT as of September 30, 2020 and 2019 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>2020</u>	<u>2019</u>
State Trunkline Fund	\$ 790	\$ 1,048
Comprehensive Transportation Fund	<u>1</u>	<u>45</u>
Total Allowance for Doubtful Accounts	<u>\$ 791</u>	<u>\$ 1,093</u>

B. Taxes Receivable

In the Michigan Transportation Fund, the gross amount of current taxes receivable, \$189.5 million and \$189.1 million, less allowances for uncollectible receivables, \$58.2 million and \$55.6 million result in net taxes receivable of \$131.3 million and \$133.5 million, being recorded for motor fuel taxes due to the fund as of September 30, 2020 and 2019, respectively.

In the State Aeronautics Fund, the gross amount of current taxes receivable, \$3.4 million and \$3.2 million, less allowances for uncollectible receivables, \$3.2 million and \$2.7 million result in net taxes receivable of \$0.3 million and \$0.5 million, being recorded for aviation fuel taxes due to the fund as of September 30, 2020 and 2019, respectively.

The reporting of gross receivable net of related allowance for uncollectible accounts is consistent with the treatment of other taxes receivable reported in the SOMACFR.

C. Federal Highway Administration (FHWA) Receivable

MDOT recorded federal aid receivables in the State Trunkline Fund, State Trunkline Bond Proceeds Fund, and Transportation Related Trust Fund totaling \$186.1 million and \$209.2 million for the fiscal years ending September 30, 2020 and 2019, respectively. No noncurrent federal aid receivables were recorded for the fiscal years ending September 30, 2020 and 2019.

**MICHIGAN DEPARTMENT OF TRANSPORTATION**  
**NOTES TO FINANCIAL STATEMENTS**  
FISCAL YEAR ENDED SEPTEMBER 30, 2020

**Note 4: Capital Assets**

A. Capital assets owned by MDOT, including property, plant, equipment, intangible items and infrastructure items (roads, bridges, ramps, railroads, rest areas, and welcome centers) are reported in the government-wide financial statements of the SOMACFR. The State has elected to use the “modified approach” to account for certain infrastructure assets, roads and bridges, as provided in Governmental Accounting Standards Board (GASB) Statement No. 34. For more information on the reporting of capital assets under this Statement, see Note 9 of the SOMACFR.

Classification: The following tables summarize, by major class of asset, fiscal year 2020 changes in reported costs for MDOT’s capital assets (In Millions):

Changes in Capital Assets Fiscal Year 2020				
	Beginning Balance	Additions	Deletions	Ending Balance
<u>Capital assets, not depreciated:</u>				
Roads	\$12,860.9	\$123.1	(\$922.4)	\$12,061.6
Land	3,146.5	7.8	-	3,154.3
Bridges	2,693.9	266.1	(34.4)	2,925.6
Construction in Progress	1,744.4	1,002.5	(472.3)	2,274.7
Computer Software Projects in Progress	6.8	2.4	(6.8)	2.4
Land Rights	0.4	0.2	-	0.6
<u>Capital assets, depreciated:</u>				
Equipment	241.2	9.6	(3.4)	247.4
Buildings	168.9	5.4	(0.1)	174.1
Blue Water Bridge Infrastructure	32.1	3.5	-	35.6
Railroads	173.7	-	-	173.7
Rest Areas & Welcome Centers	120.9	-	-	120.9
Land Improvements	54.5	2.0	(0.6)	55.9
Airports	1.8	-	-	1.8
Computer Software Project	-	6.8	-	6.8
<u>Less accumulated depreciation for:</u>				
Equipment	(106.9)	(11.5)	2.7	(115.6)
Buildings	(88.0)	(7.1)	0.1	(95.1)
Blue Water Bridge Infrastructure	(14.2)	(1.4)	-	(15.6)
Railroad	(54.6)	(4.1)	-	(58.7)
Rest Area & Welcome Center	(51.9)	(2.7)	-	(54.6)
Land Improvements	(14.1)	(2.7)	0.3	(16.4)
Airports	(1.0)	(0.1)	-	(1.1)
Computer Software Project	-	(1.1)	-	(1.1)
<b>Total Capital Assets</b>	<u><b>\$20,915.3</b></u>	<u><b>\$1,398.7</b></u>	<u><b>(\$1,436.7)</b></u>	<u><b>\$20,877.2</b></u>

**MICHIGAN DEPARTMENT OF TRANSPORTATION**  
**NOTES TO FINANCIAL STATEMENTS**  
FISCAL YEAR ENDED SEPTEMBER 30, 2020

- B. Funding Source: Following is a summary of funding sources for investments in capital assets as of September 30, 2020 (In Millions):

<u>Fund</u>	<u>Investment</u>
State Trunkline Fund	\$ 20,679.1
Comprehensive Transportation Fund	185.5
State Aeronautics Fund	<u>12.7</u>
Total Investment in Capital Assets	<u>\$ 20,877.2</u>

**MICHIGAN DEPARTMENT OF TRANSPORTATION**  
**NOTES TO FINANCIAL STATEMENTS**  
**FISCAL YEAR ENDED SEPTEMBER 30, 2020**

**Note 5: General Long-Term Obligations**

A. Revenue Dedicated Bonded Debt

MDOT 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.

Revenue Dedicated Bonded Debt  
Department of Transportation (In Thousands)

	Amounts Issued	Outstanding		Maturities		Average Interest Rate % <sup>(1)</sup>
		9/30/20	9/30/19	First Year	Last Year	
<u>Comprehensive Transportation Fund Bonds</u>						
Series 2005 (Refunding)	\$ 62,180	\$ 18,390	\$ 26,435	2009	2023	5.25
Series 2011 (Refunding)	18,470	4,585	6,710	2013	2022	4.50
Series 2013 (Refunding)	10,130	1,540	1,540	2014	2023	4.70
Series 2015 (Refunding)	29,380	25,025	26,190	2017	2031	4.89
Total Comprehensive Transportation Fund Bonds	\$ 120,160	\$ 49,540	\$ 60,875			
<u>State Trunkline Fund Bonds</u>						
Series 2004 (Refunding)	103,450	23,845	34,870	2006	2022	5.02
Series 2005 (Refunding)	223,020	47,790	69,795	2010	2022	5.24
Series 2009 (Revenue and Refunding)	146,190	-	146,185	2018	2027	4.99
Series 2011	90,980	74,050	76,790	2014	2037	4.72
Series 2012 (Refunding)	49,305	14,470	21,185	2014	2022	4.80
Series 2014 (Refunding)	265,085	41,405	60,640	2016	2022	4.49
Series 2015 (Refunding)	54,055	54,055	54,055	2023	2023	4.84
Series 2020A (Refunding)	103,485	103,485	-	2021	2027	5.00
Series 2020B	800,000	800,000	-	2021	2046	4.55
Total State Trunkline Fund Bonds	\$ 1,835,570	\$ 1,159,100	\$ 463,520			
<u>Grant Anticipation Bonds</u>						
Series 2016 (Refunding)	607,110	542,310	595,130	2018	2027	4.97
Total Grant Anticipation Bonds	\$ 607,110	\$ 542,310	\$ 595,130			
Total Revenue Dedicated Bonded Debt	\$ 2,562,840	\$ 1,750,950	\$ 1,119,525			

<sup>(1)</sup>Beginning in fiscal year 2017, average interest rates now reflect a weighted average calculation.

**MICHIGAN DEPARTMENT OF TRANSPORTATION**  
**NOTES TO FINANCIAL STATEMENTS**  
**FISCAL YEAR ENDED SEPTEMBER 30, 2020**

**B. Advance Refundings and Defeasances**

MDOT has issued refunding bonds 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 MDOT defeased its obligation for payment of the refunded bonded debt upon completion of the refunding transaction.

There were no defeased bonds outstanding on September 30, 2020 or 2019.

**C. Debt Service Requirements**

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

FISCAL YEARS ENDING	STATE TRUNKLINE FUND			COMPREHENSIVE TRANSPORTATION FUND			GRANT ANTICIPATION BONDS			COMBINED TOTAL		
	PRINCIPAL	INTEREST	TOTAL	PRINCIPAL	INTEREST	TOTAL	PRINCIPAL	INTEREST	TOTAL	PRINCIPAL	INTEREST	TOTAL
SEPTEMBER 30												
2021	\$102,445	\$40,673	\$143,118	\$11,930	\$2,406	\$14,336	\$28,785	\$26,396	\$55,181	\$143,160	\$69,475	\$212,635
2022	108,020	46,440	154,460	12,555	1,783	14,338	30,290	24,919	55,209	150,865	73,142	224,007
2023	67,725	42,013	109,738	2,540	1,201	3,741	40,560	23,148	63,708	110,825	66,362	177,187
2024	14,375	40,005	54,380	2,555	1,062	3,617	95,020	19,758	114,778	111,950	60,825	172,775
2025	15,100	39,275	54,375	2,685	931	3,616	101,505	14,845	116,350	119,290	55,051	174,341
2026	5,205	38,774	43,979	2,825	793	3,618	119,095	9,330	128,425	127,125	48,897	176,022
2027	5,470	38,507	43,977	2,970	648	3,618	127,055	3,176	130,231	135,495	42,332	177,827
2028	59,575	36,881	96,456	3,120	496	3,616	-	-	-	62,695	37,377	100,072
2029	56,965	33,968	90,933	3,280	336	3,616	-	-	-	60,245	34,304	94,549
2030	54,735	31,175	85,910	3,450	168	3,618	-	-	-	58,185	31,343	89,528
2031	52,955	28,483	81,438	1,630	41	1,671	-	-	-	54,585	28,524	83,109
2032	39,875	26,162	66,037	-	-	-	-	-	-	39,875	26,162	66,037
2033	37,735	24,248	61,983	-	-	-	-	-	-	37,735	24,248	61,983
2034	39,870	22,333	62,203	-	-	-	-	-	-	39,870	22,333	62,203
2035	20,665	20,820	41,485	-	-	-	-	-	-	20,665	20,820	41,485
2036	20,955	19,779	40,734	-	-	-	-	-	-	20,955	19,779	40,734
2037	48,655	18,039	66,694	-	-	-	-	-	-	48,655	18,039	66,694
2038	43,965	15,943	59,908	-	-	-	-	-	-	43,965	15,943	59,908
2039	46,125	14,142	60,267	-	-	-	-	-	-	46,125	14,142	60,267
2040	48,390	12,251	60,641	-	-	-	-	-	-	48,390	12,251	60,641
2041	53,485	10,214	63,699	-	-	-	-	-	-	53,485	10,214	63,699
2042	33,800	8,425	42,225	-	-	-	-	-	-	33,800	8,425	42,225
2043	42,955	6,803	49,758	-	-	-	-	-	-	42,955	6,803	49,758
2044	44,765	4,957	49,722	-	-	-	-	-	-	44,765	4,957	49,722
2045	46,650	3,032	49,682	-	-	-	-	-	-	46,650	3,032	49,682
2046	48,640	1,025	49,665	-	-	-	-	-	-	48,640	1,025	49,665
<b>TOTAL</b>	<b>\$1,159,100</b>	<b>\$624,367</b>	<b>\$1,783,467</b>	<b>\$49,540</b>	<b>\$9,865</b>	<b>\$59,405</b>	<b>\$542,310</b>	<b>\$121,573</b>	<b>\$663,883</b>	<b>\$1,750,950</b>	<b>\$755,804</b>	<b>\$2,506,754</b>

**MICHIGAN DEPARTMENT OF TRANSPORTATION**  
**NOTES TO FINANCIAL STATEMENTS**  
FISCAL YEAR ENDED SEPTEMBER 30, 2020

D. 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 MDOT continues to vigorously contest all these claims and that MDOT 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).

Public-Private Partnerships:

MDOT has entered into long term public-private partnership (P3) agreements for the Metro Region Freeway Lighting and Segment 3 of the I-75 Modernization projects. These agreements obligate state transportation funds over a period of years. These obligations are more detailed in Note 10.

**MICHIGAN DEPARTMENT OF TRANSPORTATION**  
**NOTES TO FINANCIAL STATEMENTS**  
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E. Changes in General Long-term Obligations:

Changes in general long-term obligations (In Thousands) for the fiscal years ended September 30, 2020 and 2019 are summarized as follows:

	Revenue Dedicated Debt - Oversight Entity		Capital Lease Obligations	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Balance – Beginning	\$ 1,119,525	\$ 1,278,490	\$ 1,398	\$ 1,702
New bond issues/capital lease additions and adjustments	903,485	-	1,099	-
Accretion on Capital Appreciation Bonds	-	-	-	-
Bond principal retirements/ capital lease payments and adjustments	<u>(272,060)</u>	<u>(158,965)</u>	<u>(374)</u>	<u>(305)</u>
Balance – Ending	<u><u>\$ 1,750,950</u></u>	<u><u>\$ 1,119,525</u></u>	<u><u>\$ 2,123</u></u>	<u><u>\$ 1,398</u></u>

**MICHIGAN DEPARTMENT OF TRANSPORTATION**  
**NOTES TO FINANCIAL STATEMENTS**  
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Changes in General Long-term Obligations (continued):

	<u>Claims and</u> <u>Judgments</u>		<u>Compensated</u> <u>Absences Liabilities</u>	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Balance - Beginning	\$ 74	\$ 182	\$ 26,971	\$ 27,800
Net increase (decrease) in estimated liabilities	<u>3,926</u>	<u>(108)</u>	<u>2,352</u>	<u>(829)</u>
Balance - Ending	<u>\$ 4,000</u>	<u>\$ 74</u>	<u>\$ 29,323</u>	<u>\$ 26,971</u>

	<u>Public-Private</u> <u>Partnerships</u>	
	<u>2020</u>	<u>2019</u>
Balance - Beginning	\$ 48,900	\$ 60,200
Net increase (decrease) in liabilities	<u>193,400</u>	<u>(11,300)</u>
Balance - Ending	<u>\$ 242,300</u>	<u>\$ 48,900</u>

**MICHIGAN DEPARTMENT OF TRANSPORTATION**  
**NOTES TO FINANCIAL STATEMENTS**  
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**Note 6: Leases**

MDOT leases office facilities under noncancelable leasing arrangements. Most leases have cancellation clauses with one to six months' 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 comparable to purchases are classified as "capital" leases, therefore assets and liabilities are recorded in the government-wide statements at lease inception. Other leases are classified as "operating" leases, which are treated as rental agreements and the resulting expenditures are recognized as incurred over the lease term.

Actual rental expenditures incurred under operating leases totaled \$337,777 and \$408,044 during fiscal years 2020 and 2019, respectively.

Summary of the noncancelable operating and capital leasing commitments to maturity for fiscal year 2020 follows (In Thousands):

Noncancelable Lease Commitments					
As of September 30, 2020					
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>	
2021	\$ 296	\$ 411	\$ 183	\$ 256	\$ 850
2022	237	441	153	256	850
2023	137	367	117	208	691
2024	36	282	102	165	549
2025	14	273	85	153	512
<u>2026-2030</u>	<u>-</u>	<u>349</u>	<u>118</u>	<u>200</u>	<u>668</u>
Total	<u>\$ 720</u>	<u>\$ 2,123</u>	<u>\$ 758</u>	<u>\$ 1,239</u>	<u>\$ 4,120</u>

The schedule above is consistent with SOMACFR 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 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 SOMACFR.

The historical cost of assets acquired under capital leases, which are included in the government-wide statements of the SOMACFR, on September 30, 2020 and 2019 follows (In Thousands):

	<u>2020</u>	<u>2019</u>
Buildings	\$3,279	\$2,181

**MICHIGAN DEPARTMENT OF TRANSPORTATION**  
**NOTES TO FINANCIAL STATEMENTS**  
FISCAL YEAR ENDED SEPTEMBER 30, 2020

**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 MDOT'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.

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

	<u>2020</u>	<u>2019</u>
State Trunkline Fund	\$83,116	\$86,745
Comprehensive Transportation Fund	2,134	2,148
State Aeronautics Fund	1,405	1,499
Blue Water Bridge	<u>1,034</u>	<u>1,126</u>
 Total Department of Transportation Contributions	 <u>\$87,689</u>	 <u>\$91,518</u>

B. Compensated Absences

MDOT 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 SOMACFR, 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 STATEMENTS  
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The following table summarizes Department of Transportation related compensated absences liabilities as of September 30, 2020 and 2019 (In Thousands):

	<u>Sick Leave</u>		<u>Annual Leave</u>		<u>Banked Leave</u>		<u>Total</u>	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
State Trunkline Fund	\$1,025	\$1,309	\$23,773	\$20,891	\$2,756	\$2,971	\$27,555	\$25,172
Comprehensive Transportation Fund	155	193	625	576	89	126	869	895
State Aeronautics Fund	218	235	446	401	56	69	720	705
Blue Water Bridge	<u>2</u>	<u>2</u>	<u>167</u>	<u>186</u>	<u>10</u>	<u>10</u>	<u>179</u>	<u>199</u>
<b>TOTAL</b>	<b><u>\$1,400</u></b>	<b><u>\$1,740</u></b>	<b><u>\$25,011</u></b>	<b><u>\$22,055</u></b>	<b><u>\$2,912</u></b>	<b><u>\$3,177</u></b>	<b><u>\$29,323</u></b>	<b><u>\$26,971</u></b>

If a MDOT 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 SOMACFR.

**MICHIGAN DEPARTMENT OF TRANSPORTATION**  
**NOTES TO FINANCIAL STATEMENTS**  
FISCAL YEAR ENDED SEPTEMBER 30, 2020

**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, alternative fuel taxes, motor carrier taxes, vehicle license taxes, and statutorily dedicated income tax revenues. 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, the Rail Grade Crossing Surface Program, Rail Grade Crossing Surface Improvements, Wetland Mitigation Fund, Moveable Bridge Fund, 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 2020 and 2019 (In Thousands).

<u>Interfund Transactions</u>	<u>2020</u>	<u>2019</u>
MTF Distribution – STF	\$1,059,679	\$1,037,058
MTF Distribution – CTF	240,424	254,029
Other State agencies	46,438	48,948
Debt Service	50,000	50,000
Economic Development Program	40,275	40,275
Local Road Program	33,000	33,000
Local Bridge Fund	28,067	30,622
Transportation Planning	11,178	11,455
Design and Engineering Services	13,014	12,348
Rail Grade Crossing Program	3,000	3,000
Rail Grade Crossing – Surface Improvements	3,000	3,000
Freight and Safety Services	1,425	1,364
Finance, Contracts and Support Services	1,620	1,563
Enhancement Program	836	821
Moveable Bridge Program	5,337	5,223
Local Agency Wetlands Mitigation Fund	2,000	2,000
	<u>\$1,539,294</u>	<u>\$1,534,706</u>

**MICHIGAN DEPARTMENT OF TRANSPORTATION**  
**NOTES TO FINANCIAL STATEMENTS**  
FISCAL YEAR ENDED SEPTEMBER 30, 2020

**Note 9: Component Unit - Mackinac Bridge Authority**

The MBA, which is reported as a governmental component unit in the SOMACFR, 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 MBA redeemed its remaining bonds on July 1, 1986.

State statutes require that the MBA 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 MBA 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 MBA after consideration of the MBA's annual needs for its operations and planned repairs and improvements.

The MBA repaid \$17,056,172 between fiscal years 1993 and 2020 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 \$45,943,828 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, 2020, a current receivable of \$1,489,284 is recorded in the State Trunkline Fund's balance sheet as an amount due from component units for the MBA's reimbursement of payroll and related expenses. An accounts payable due to MDOT is recorded in the MBA's balance sheet.

**MICHIGAN DEPARTMENT OF TRANSPORTATION**  
**NOTES TO FINANCIAL STATEMENTS**  
FISCAL YEAR ENDED SEPTEMBER 30, 2020

**Note 10: Contingencies and Commitments**

A. Litigation

MDOT 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 MDOT's financial position.

MDOT 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, 2020 and 2019, MDOT estimates the disallowance of recognized revenues will not be material to the financial statements.

C. Commitments and Encumbrances

MDOT has construction and consultant commitments for transportation projects. As of September 30, 2020 and 2019, the balances remaining on these contracts equaled \$824.2 million and \$1,030.6 million, respectively. Portions of these balances, \$103.4 million as of September 30, 2020, and \$45.1 million as of September 30, 2019, have been encumbered.

MDOT has entered into a Public-Private Partnership (P3) contract for the Metro Region Freeway Lighting Project. This contract will provide for the financing, design, construction, operation, and maintenance of freeway lighting in Wayne, Oakland and Macomb counties (City of Detroit) from 2015 to 2030. The total contract amount for this project is \$142.5 million. MDOT has a commitment of \$50.5 million as of September 30, 2020.

MDOT has also entered a P3 contract for the I-75 Modernization project. This contract will provide for the financing, design, construction, operation, and maintenance of Segment 3 of the I-75 Modernization Project in Oakland County from 2020-2048. The total contract amount for this project is \$1,454.8 million. MDOT has a commitment of \$719.4 million as of September 30, 2020.

**MICHIGAN DEPARTMENT OF TRANSPORTATION**  
**NOTES TO FINANCIAL STATEMENTS**  
**FISCAL YEAR ENDED SEPTEMBER 30, 2020**

D. Advance Construction

Under an agreement with Federal Highway Administration (FHWA), MDOT has, over a period of years, qualified several construction projects without placing them under a reimbursement agreement. These deferred federal aid projects may be converted to current reimbursement at the option of MDOT, 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 2020, MDOT had \$576.5 million of State Trunkline expenditures on projects related to routine advanced construction and \$49.8 million of State Trunkline expenditures on projects related to future debt service advanced construction. At the end of fiscal year 2019, MDOT had \$508.8 million of State Trunkline expenditures on projects related to routine advanced construction and \$97.8 million of State Trunkline expenditures on projects related to future debt service advanced construction.

**MICHIGAN DEPARTMENT OF TRANSPORTATION**  
**NOTES TO FINANCIAL STATEMENTS**  
FISCAL YEAR ENDED SEPTEMBER 30, 2020

**Note 11: Subsequent Events**

There are no known subsequent events to report for fiscal year 2020.



**FUND DESCRIPTIONS**

**COMBINING FINANCIAL STATEMENTS**  
**AND**  
**SCHEDULES**

**MICHIGAN DEPARTMENT OF TRANSPORTATION**  
**DESCRIPTIONS OF SPECIAL REVENUE FUNDS**  
FISCAL YEAR ENDED SEPTEMBER 30, 2020

**MICHIGAN TRANSPORTATION FUND**

This fund, established by Public Act 51 of 1951, Section 10, as amended, is administered by the Department of Transportation. In addition, some of the fund revenue is collected by the Department of Treasury and the Department of State. 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, Local Agency Wetland Bank Mitigation Fund, Moveable Bridge 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.

MICHIGAN DEPARTMENT OF TRANSPORTATION  
**COMBINING BALANCE SHEET - SPECIAL REVENUE FUNDS**  
 SEPTEMBER 30, 2020 and 2019  
 (In Thousands)

	MICHIGAN TRANSPORTATION FUND		COMPREHENSIVE TRANSPORTATION FUND		TOTALS	
	2020	2019	2020	2019	2020	2019
<b>ASSETS</b>						
Current Assets:						
Cash and cash equivalents	\$ 3,815	\$ 4,230	\$ -	\$ -	\$ 3,815	\$ 4,230
Equity in Common Cash	54,938	50,983	194,924	206,613	249,861	257,596
Taxes, interest, and penalties (at net)	132,251	139,362	-	-	132,251	139,362
Other funds	-	-	69,145	44,434	69,145	44,434
Component Units	-	-	-	-	-	-
Federal aid	-	-	29,021	16,822	29,021	16,822
Local units	-	-	610	2,381	610	2,381
Inventories	-	-	-	-	-	-
Other Current Assets	8,634	2,481	15,239	535	23,873	3,016
	<u>199,637</u>	<u>197,055</u>	<u>308,938</u>	<u>270,785</u>	<u>508,576</u>	<u>467,841</u>
Total Current Assets						
Noncurrent Assets:						
Receivables:						
Taxes	3,314	3,595	-	-	3,314	3,595
Federal aid	-	-	-	-	-	-
Local units	-	-	-	-	-	-
Advances to other funds	-	-	-	-	-	-
Land contracts	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-
	<u>3,314</u>	<u>3,595</u>	<u>-</u>	<u>-</u>	<u>3,314</u>	<u>3,595</u>
Total Noncurrent Assets						
	<u>3,314</u>	<u>3,595</u>	<u>-</u>	<u>-</u>	<u>3,314</u>	<u>3,595</u>
Total Assets	<u>\$ 202,951</u>	<u>\$ 200,650</u>	<u>\$ 308,938</u>	<u>\$ 270,785</u>	<u>\$ 511,890</u>	<u>\$ 471,435</u>
<b>LIABILITIES AND FUND BALANCES</b>						
Current Liabilities:						
Warrants outstanding	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts Payable and Other Liabilities	169,057	170,320	85,240	49,396	254,297	219,716
Contract reserve payable	-	-	-	-	-	-
Amounts due to other funds	20,990	18,385	136	126	21,126	18,511
Amounts held for others	-	-	-	-	-	-
Unearned revenue	-	1	72	282	72	282
	<u>190,047</u>	<u>188,705</u>	<u>85,447</u>	<u>49,804</u>	<u>275,494</u>	<u>238,509</u>
Total Current Liabilities						
Long-Term Liabilities:						
Unearned revenue	-	-	2	4	2	4
Total Long-Term Liabilities	<u>-</u>	<u>-</u>	<u>2</u>	<u>4</u>	<u>2</u>	<u>4</u>
Total Liabilities	<u>190,047</u>	<u>188,705</u>	<u>85,450</u>	<u>49,808</u>	<u>275,497</u>	<u>238,513</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>	<u>12,904</u>	<u>11,945</u>	<u>-</u>	<u>-</u>	<u>12,904</u>	<u>11,945</u>
Fund Balances:						
Nonspendable	-	-	-	-	-	-
Restricted	-	-	223,489	220,978	223,489	220,978
Committed	-	-	-	-	-	-
Assigned	-	-	-	-	-	-
Total Fund Balances	<u>-</u>	<u>-</u>	<u>223,489</u>	<u>220,978</u>	<u>223,489</u>	<u>220,978</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 202,951</u>	<u>\$ 200,650</u>	<u>\$ 308,938</u>	<u>\$ 270,785</u>	<u>\$ 511,890</u>	<u>\$ 471,435</u>

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

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**SPECIAL REVENUE FUNDS**  
FISCAL YEARS ENDED SEPTEMBER 30, 2020 and 2019  
(In Thousands)

	MICHIGAN TRANSPORTATION FUND		COMPREHENSIVE TRANSPORTATION FUND		TOTALS	
	2020	2019	2020	2019	2020	2019
<b>REVENUES</b>						
Taxes	\$ 3,131,465	\$ 3,078,258	\$ 90,066	\$ 96,851	\$ 3,221,531	\$ 3,175,109
Federal aid	-	-	75,257	38,764	75,257	38,764
Local participation	-	-	-	-	-	-
Services	4,526	4,294	-	-	4,526	4,294
License and permits	30,900	37,033	254	317	31,154	37,350
Interest earnings on common cash	2,640	4,146	2,197	4,046	4,837	8,192
Non-operating revenue-bridges	-	-	-	-	-	-
Miscellaneous	280	1,012	11,852	10,782	12,132	11,794
Total Revenues	<u>3,169,811</u>	<u>3,124,744</u>	<u>179,625</u>	<u>150,760</u>	<u>3,349,437</u>	<u>3,275,503</u>
<b>EXPENDITURES</b>						
Administration and Operations:						
Administration and maintenance	4,455	4,387	27,056	25,506	31,511	29,893
Bus operating assistance grants	-	-	226,867	223,641	226,867	223,641
Other grants	1,630,517	1,590,036	145,591	104,386	1,776,108	1,694,423
Airport development	-	-	-	-	-	-
Non-operating expenditures-bridges	-	-	-	-	-	-
Trust fund construction activity	-	-	-	-	-	-
Capital lease payments	-	-	-	-	-	-
Total Administration and Operations	<u>1,634,972</u>	<u>1,594,423</u>	<u>399,514</u>	<u>353,534</u>	<u>2,034,486</u>	<u>1,947,957</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>1,634,972</u>	<u>1,594,423</u>	<u>399,514</u>	<u>353,534</u>	<u>2,034,486</u>	<u>1,947,957</u>
Excess of Revenues Over (Under) Expenditures	<u>1,534,839</u>	<u>1,530,320</u>	<u>(219,889)</u>	<u>(202,774)</u>	<u>1,314,951</u>	<u>1,327,546</u>
<b>OTHER FINANCING SOURCES</b>						
Capital Lease Acquisitions	-	-	-	-	-	-
Proceeds from sale of capital assets	-	-	16	-	16	-
Michigan transportation fund distribution	-	-	240,424	254,029	240,424	254,029
Grants and transfers from other funds	-	-	1,425	1,364	1,425	1,364
Proceeds from bonds and notes issued	-	-	-	-	-	-
Premium on bonds issued	-	-	-	-	-	-
Total Other Financing Sources	<u>-</u>	<u>-</u>	<u>241,865</u>	<u>255,393</u>	<u>241,865</u>	<u>255,393</u>
<b>OTHER FINANCING USES</b>						
Michigan transportation fund distribution	1,300,079	1,291,072	-	-	1,300,079	1,291,072
Grants and transfers to other funds	234,760	239,249	366	171	235,126	239,419
Discount on bonds issued	-	-	-	-	-	-
Debt service	-	-	10,896	19,401	10,896	19,401
Total Other Financing Uses	<u>1,534,839</u>	<u>1,530,320</u>	<u>11,262</u>	<u>19,572</u>	<u>1,546,101</u>	<u>1,549,892</u>
Excess of Other Financing Sources Over (Under) Other Financing Uses	<u>(1,534,839)</u>	<u>(1,530,320)</u>	<u>230,602</u>	<u>235,820</u>	<u>(1,304,237)</u>	<u>(1,294,500)</u>
Excess of Revenue and Other Sources Over (Under) Expenditures and Other Uses	-	-	10,714	33,047	10,714	33,047
Fund balances-Beginning of fiscal year	Note 1 -	-	212,775	187,931	212,775	187,931
Fund balances-End of fiscal year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 223,489</u>	<u>\$ 220,978</u>	<u>\$ 223,489</u>	<u>\$ 220,978</u>

Note 1 The beginning fund balance for the Comprehensive Transportation Fund was restated in FY20 due to the MIRLap program being reclassified from the Combined Comprehensive Transportation Bond Proceeds Fund.

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

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, 2020  
 (In Thousands)

(Statutory/Budgetary Basis)	MICHIGAN TRANSPORTATION FUND		
	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
<b>REVENUES</b>			
Taxes	\$ 3,131,465	\$ 3,131,465	\$ -
Federal aid	-	-	-
Local participation	-	-	-
Services	4,526	4,526	-
License and permits	30,900	30,900	-
Interest earnings	2,640	2,640	-
Non-operating revenue-bridges	-	-	-
Miscellaneous and Service revenue	280	280	-
<b>Total Revenues</b>	<u>3,169,811</u>	<u>3,169,811</u>	<u>-</u>
<b>EXPENDITURES AND ENCUMBRANCES</b>			
Administration	4,468	4,431	37
Bus operating assistance grants	-	-	-
Other grants	1,735,248	1,630,517	104,731
Airport development	-	-	-
Nonoperating expenditure-bridges	-	-	-
<b>Total Administration and Operations</b>	<u>1,739,716</u>	<u>1,634,948</u>	<u>104,768</u>
Roads and bridges	-	-	-
Other capital outlay	-	-	-
<b>Total Capital Outlay</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total Expenditures and Encumbrances</b>	<u>1,739,716</u>	<u>1,634,948</u>	<u>104,768</u>
Excess of Revenue Over(Under) Expenditures and Encumbrances	<u>1,430,095</u>	<u>1,534,863</u>	<u>104,768</u>
<b>OTHER FINANCING SOURCES</b>			
Proceeds from sale of capital assets	-	-	-
Michigan transportation fund distribution	-	-	-
Grants and transfers from other funds	-	-	-
<b>Total Financing Sources</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>OTHER FINANCING USES</b>			
Michigan transportation fund distribution	1,393,340	1,300,103	93,237
Grants and transfers to other funds	241,967	234,760	7,207
Discount on bonds issued	-	-	-
Debt service	-	-	-
<b>Total Financing Uses</b>	<u>1,635,307</u>	<u>1,534,863</u>	<u>100,444</u>
Excess Other Financial Sources Over(Under) Other Financial Uses	<u>(1,635,307)</u>	<u>(1,534,863)</u>	<u>100,444</u>
Excess of Revenue and Other Financial Sources Over(Under) Expenditures, Encumbrances and Other Financial Uses	<u>\$ (205,212)</u>	<u>\$ -</u>	<u>\$ 205,212</u>
<b>RECONCILING ITEMS</b>			
Encumbrances at September 30		-	
Funds not annually budgeted		-	
<b>Net Reconciling Items</b>		<u>-</u>	
Excess of Revenue and Other Financial Sources Over(Under) Expenditures and Other Financial Uses (GAAP Basis)		<u>-</u>	
<b>FUND BALANCES (GAAP BASIS)</b>			
Beginning balance		-	
Ending balances (GAAP Basis)		<u>\$ -</u>	

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

COMPREHENSIVE TRANSPORTATION FUND			TOTALS		
BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
\$ 90,066	\$ 90,066	\$ -	3,221,531	\$ 3,221,531	\$ -
75,257	75,257	-	75,257	75,257	-
-	-	-	-	-	-
-	-	-	4,526	4,526	-
254	254	-	31,154	31,154	-
2,197	2,197	-	4,837	4,837	-
-	-	-	-	-	-
11,852	11,852	-	12,132	12,132	-
<u>179,625</u>	<u>179,625</u>	<u>-</u>	<u>3,349,437</u>	<u>3,349,437</u>	<u>-</u>
37,427	34,399	3,028	41,895	38,830	3,066
229,273	228,483	789	229,273	228,483	789
301,960	280,311	21,649	2,037,208	1,910,828	126,380
-	-	-	-	-	-
-	-	-	-	-	-
<u>568,660</u>	<u>543,193</u>	<u>25,467</u>	<u>2,308,376</u>	<u>2,178,141</u>	<u>130,235</u>
-	-	-	-	-	-
-	-	-	-	-	-
<u>568,660</u>	<u>543,193</u>	<u>25,467</u>	<u>2,308,376</u>	<u>2,178,141</u>	<u>130,235</u>
<u>(389,034)</u>	<u>(363,567)</u>	<u>25,467</u>	<u>1,041,061</u>	<u>1,171,296</u>	<u>130,235</u>
16	16	-	16	16	-
240,424	240,424	-	240,424	240,424	-
1,425	1,425	-	1,425	1,425	-
<u>241,865</u>	<u>241,865</u>	<u>-</u>	<u>241,865</u>	<u>241,865</u>	<u>-</u>
-	-	-	1,393,340	1,300,103	93,237
250	168	82	242,217	234,928	7,289
-	-	-	-	-	-
10,896	10,896	-	10,896	10,896	-
<u>11,146</u>	<u>11,064</u>	<u>82</u>	<u>1,646,453</u>	<u>1,545,927</u>	<u>100,526</u>
230,719	230,801	82	(1,404,589)	(1,304,062)	100,526
<u>\$ (158,315)</u>	<u>(132,766)</u>	<u>\$ 25,549</u>	<u>(363,528)</u>	<u>(132,766)</u>	<u>\$ 230,761</u>
	143,480			\$ 143,480	
	-			\$ -	
	<u>143,480</u>			<u>\$ 143,480</u>	
	10,714			\$ 10,714	
	<u>212,775</u>			<u>\$ 212,775</u>	
	<u>\$ 223,489</u>			<u>\$ 223,489</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, 2019  
 (In Thousands)

(Statutory/Budgetary Basis)	MICHIGAN TRANSPORTATION FUND		
	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
<b>REVENUES</b>			
Taxes	\$ 3,078,258	\$ 3,078,258	\$ -
Federal aid	-	-	-
Local participation	-	-	-
Services	4,294	4,294	-
License and permits	37,033	37,033	-
Interest earnings	4,146	4,146	-
Non-operating revenue-bridges	-	-	-
Miscellaneous and Service revenue	1,012	1,012	-
<b>Total Revenues</b>	<b>3,124,744</b>	<b>3,124,744</b>	<b>-</b>
<b>EXPENDITURES AND ENCUMBRANCES</b>			
Administration	4,437	4,372	65
Bus operating assistance grants	-	-	-
Other grants	1,590,036	1,590,036	-
Airport development	-	-	-
Nonoperating expenditure-bridges	-	-	-
<b>Total Administration and Operations</b>	<b>1,594,474</b>	<b>1,594,409</b>	<b>65</b>
Roads and bridges	-	-	-
Other capital outlay	-	-	-
<b>Total Capital Outlay</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Expenditures and Encumbrances</b>	<b>1,594,474</b>	<b>1,594,409</b>	<b>65</b>
Excess of Revenue Over(Under) Expenditures and Encumbrances	1,530,270	1,530,335	65
<b>OTHER FINANCING SOURCES</b>			
Michigan transportation fund distribution	-	-	-
Grants and transfers from other funds	-	-	-
Proceeds of sale of capital assets	-	-	-
<b>Total Financing Sources</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>OTHER FINANCING USES</b>			
Michigan transportation fund distribution	1,291,087	1,291,086	-
Grants and transfers to other funds	240,074	239,249	825
Discount on bonds issued	-	-	-
Debt service	-	-	-
<b>Total Financing Uses</b>	<b>1,531,161</b>	<b>1,530,335</b>	<b>825</b>
Excess Other Financial Sources Over(Under) Other Financial Uses	(1,531,161)	(1,530,335)	825
Excess of Revenue and Other Financial Sources Over(Under) Expenditures, Encumbrances and Other Financial Uses	\$ (890)	\$ -	\$ 890
<b>RECONCILING ITEMS</b>			
Encumbrances at September 30		-	
Funds not annually budgeted		-	
<b>Net Reconciling Items</b>		<b>-</b>	
Excess of Revenue and Other Financial Sources Over(Under) Expenditures and Other Financial Uses (GAAP Basis)		-	
<b>FUND BALANCES (GAAP BASIS)</b>			
Beginning balance		-	
Ending balances (GAAP Basis)		\$ -	

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

COMPREHENSIVE TRANSPORTATION FUND			TOTALS		
BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
\$ 96,851	\$ 96,851	\$ -	3,175,109	\$ 3,175,109	\$ -
38,764	38,764	-	38,764	38,764	-
-	-	-	-	-	-
-	-	-	4,294	4,294	-
317	317	-	37,350	37,350	-
4,046	4,046	-	8,192	8,192	-
-	-	-	-	-	-
10,782	10,782	-	11,794	11,794	-
<u>150,760</u>	<u>150,760</u>	<u>-</u>	<u>3,275,503</u>	<u>3,275,503</u>	<u>-</u>
30,412	27,142	3,270	34,849	31,514	3,335
225,269	225,249	20	225,269	225,249	20
253,697	250,911	2,786	1,843,733	1,840,947	2,786
-	-	-	-	-	-
-	-	-	-	-	-
<u>509,378</u>	<u>503,302</u>	<u>6,076</u>	<u>2,103,852</u>	<u>2,097,711</u>	<u>6,141</u>
-	-	-	-	-	-
-	-	-	-	-	-
<u>509,378</u>	<u>503,302</u>	<u>6,076</u>	<u>2,103,852</u>	<u>2,097,711</u>	<u>6,141</u>
<u>(358,619)</u>	<u>(352,542)</u>	<u>6,076</u>	<u>1,171,652</u>	<u>1,177,793</u>	<u>6,141</u>
-	-	-	-	-	-
254,029	254,029	-	254,029	254,029	-
1,364	1,364	-	1,364	1,364	-
-	-	-	-	-	-
<u>255,393</u>	<u>255,393</u>	<u>-</u>	<u>255,393</u>	<u>255,393</u>	<u>-</u>
-	-	-	1,291,087	1,291,086	-
250	171	79	240,324	239,419	904
-	-	-	-	-	-
19,402	19,401	-	19,402	19,401	-
<u>19,652</u>	<u>19,572</u>	<u>79</u>	<u>1,550,812</u>	<u>1,549,907</u>	<u>905</u>
<u>235,741</u>	<u>235,820</u>	<u>79</u>	<u>(1,295,419)</u>	<u>(1,294,515)</u>	<u>905</u>
<u>\$ (122,877)</u>	<u>(116,722)</u>	<u>\$ 6,155</u>	<u>(123,768)</u>	<u>\$ (116,722)</u>	<u>\$ 7,046</u>
	149,768			\$ 149,768	
	-			\$ -	
	<u>149,768</u>			<u>\$ 149,768</u>	
	<u>33,047</u>			<u>\$ 33,047</u>	
	<u>187,931</u>			<u>\$ 187,931</u>	
	<u>\$ 220,978</u>			<u>\$ 220,978</u>	

**MICHIGAN DEPARTMENT OF TRANSPORTATION**  
**DESCRIPTIONS OF CAPITAL PROJECTS FUNDS**  
FISCAL YEAR ENDED SEPTEMBER 30, 2020

**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 state and local airports. Its budget is subject to annual legislative review and appropriation. Financing consists mostly of federal revenues, airport parking taxes, sales taxes, and aviation fuel taxes. Expenditures and transfers are for administration and state 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 sub fund is established to account for the proceeds of each bond issue. Revenue and expenditure data by individual proceeds sub 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 sub funds:

**MICHIGAN DEPARTMENT OF TRANSPORTATION  
DESCRIPTIONS OF CAPITAL PROJECTS FUNDS  
FISCAL YEAR ENDED SEPTEMBER 30, 2020**

**COMBINED STATE TRUNKLINE BOND PROCEEDS FUND (continued)**

**2011 STATE TRUNKLINE FUND BOND PROCEEDS SUB FUND**

This sub 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.

**2020B REBUILDING MICHIGAN STATE TRUNKLINE FUND BOND PROCEEDS SUB FUND**

This sub fund was established pursuant to Section 18(b) of Public Act 51 of 1951, as amended, to account for the proceeds of up to \$3.5 billion 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. As of September 30, 2020, \$800 million of the \$3.5 billion has been issued.

**MICHIGAN DEPARTMENT OF TRANSPORTATION  
DESCRIPTIONS OF CAPITAL PROJECTS FUNDS  
FISCAL YEAR ENDED SEPTEMBER 30, 2020**

**COMBINED COMPREHENSIVE TRANSPORTATION BOND PROCEEDS FUND**

A separate sub fund is established to account for the proceeds of each bond issue. Revenue and expenditure data by individual proceeds sub 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 SUB FUND**

This sub 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 SUB FUND**

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

**2006 COMPREHENSIVE TRANSPORTATION FUND BOND PROCEEDS SUB FUND**

This sub 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, 2020

**TRANSPORTATION RELATED TRUST FUND**

The Michigan Department of Transportation is recognized as the legal representative of the State, including all governmental subdivisions, in the administration of the Federal Highway Administration programs. The financing accounted for in this fund consists primarily of revenues from the federal Highway Trust Fund utilized to reimburse municipalities for road and bridge program activities with very little State funds. All projects accounted for in this fund are locally owned.

MICHIGAN DEPARTMENT OF TRANSPORTATION  
**COMBINING BALANCE SHEET - CAPITAL PROJECTS FUNDS**

SEPTEMBER 30, 2020 and 2019

(In Thousands)

ASSETS	STATE TRUNKLINE FUND (excluding Blue Water Bridge Fund)		BLUE WATER BRIDGE FUND	
	2020	2019	2020	2019
Current Assets:				
Cash and cash equivalents	\$ 16	\$ 17	\$ 15	\$ 47
Equity in Common Cash	870,993	780,954	74,754	76,312
Taxes, interest, and penalties (at net)	-	-	-	-
Other funds	16,345	14,316	-	-
Component Units	1,489	1,726	-	-
Federal aid	152,630	179,024	-	-
Local units	27,765	23,980	-	-
Inventories	15,453	10,380	-	14
Other Current Assets	12,440	48,041	741	103
	<u>1,097,131</u>	<u>1,058,438</u>	<u>75,511</u>	<u>76,475</u>
Total Current Assets				
Noncurrent Assets:				
Receivables:				
Taxes	-	-	-	-
Federal aid	-	-	-	-
Local units	55,137	49,824	-	-
Advances to other funds	-	-	-	-
Land contracts	-	-	-	-
Miscellaneous	-	-	-	-
	<u>55,137</u>	<u>49,824</u>	<u>-</u>	<u>-</u>
Total Noncurrent Assets				
	<u>55,137</u>	<u>49,824</u>	<u>-</u>	<u>-</u>
Total Assets	<u>\$ 1,152,268</u>	<u>\$ 1,108,261</u>	<u>\$ 75,511</u>	<u>\$ 76,475</u>
<b>LIABILITIES AND FUND BALANCES</b>				
Current Liabilities:				
Warrants outstanding	\$ -	\$ -	\$ -	\$ -
Accounts Payable and Other Liabilities	245,225	260,116	840	2,761
Contract reserve payable	-	-	-	-
Amounts due to other funds	5,617	4,989	71	66
Amounts held for others	-	-	-	-
Unearned revenue	3,852	152	1,811	1,794
	<u>254,693</u>	<u>265,257</u>	<u>2,722</u>	<u>4,622</u>
Total Current Liabilities				
Long-Term Liabilities:				
Unearned revenue	84	87	-	-
Total Long-Term Liabilities	<u>84</u>	<u>87</u>	<u>-</u>	<u>-</u>
Total Liabilities	<u>254,777</u>	<u>265,344</u>	<u>2,722</u>	<u>4,622</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances:				
Nonspendable	15,454	10,380	-	14
Restricted	882,038	832,537	72,789	71,839
Committed	-	-	-	-
Assigned	-	-	-	-
	<u>897,491</u>	<u>842,918</u>	<u>72,789</u>	<u>71,853</u>
Total Fund Balances				
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 1,152,268</u>	<u>\$ 1,108,261</u>	<u>\$ 75,511</u>	<u>\$ 76,475</u>

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

STATE AERONAUTICS FUND		COMBINED TRUNKLINE FUND BOND PROCEEDS FUND		COMBINED COMPREHENSIVE TRANSPORTATION BOND PROCEEDS FUND	
2020	2019	2020	2019	2020	2019
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
11,494	10,042	1,044,035	89,006	3,964	3,253
251	533	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
70,315	23,622	62,457	30,128	-	-
72	38	0	0	30	-
-	-	-	-	-	-
31	55	-	-	-	-
<u>82,163</u>	<u>34,290</u>	<u>1,106,492</u>	<u>119,134</u>	<u>3,994</u>	<u>3,253</u>
3	18	-	-	-	-
-	-	-	-	-	-
204	46	-	-	270	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>207</u>	<u>64</u>	<u>-</u>	<u>-</u>	<u>270</u>	<u>-</u>
<u>\$ 82,370</u>	<u>\$ 34,355</u>	<u>\$ 1,106,492</u>	<u>\$ 119,134</u>	<u>\$ 4,264</u>	<u>\$ 3,253</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
65,708	18,026	6,464	0	-	153
-	-	-	-	-	-
94	82	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>65,803</u>	<u>18,108</u>	<u>6,464</u>	<u>0</u>	<u>-</u>	<u>153</u>
-	-	-	-	-	-
-	-	-	-	-	-
<u>65,803</u>	<u>18,108</u>	<u>6,464</u>	<u>0</u>	<u>-</u>	<u>153</u>
6	21	-	-	-	-
-	-	-	-	-	-
16,561	16,226	1,100,028	119,134	4,264	3,100
-	-	-	-	-	-
-	-	-	-	-	-
<u>16,561</u>	<u>16,226</u>	<u>1,100,028</u>	<u>119,134</u>	<u>4,264</u>	<u>3,100</u>
<u>\$ 82,370</u>	<u>\$ 34,355</u>	<u>\$ 1,106,492</u>	<u>\$ 119,134</u>	<u>\$ 4,264</u>	<u>\$ 3,253</u>

ASSETS	TRANSPORTATION RELATED TRUST FUND		TOTALS	
	2020	2019	2020	2019
Current Assets:				
Cash and cash equivalents	\$ -	\$ -	\$ 31	\$ 64
Equity in Common Cash	-	-	2,005,240	959,567
Taxes, interest, and penalties (at net)	-	-	251	533
Other funds	-	-	16,345	14,316
Component Units	-	-	1,489	1,726
Federal aid	42,238	38,937	327,641	271,711
Local units	93,461	69,622	121,329	93,640
Inventories	-	-	15,453	10,394
Other Current Assets	-	-	13,212	48,199
Total Current Assets	<u>135,700</u>	<u>108,559</u>	<u>2,500,992</u>	<u>1,400,149</u>
Noncurrent Assets:				
Receivables:				
Taxes	-	-	3	18
Federal aid	-	-	-	-
Local units	-	-	55,611	49,870
Advances to other funds	-	-	-	-
Land contracts	-	-	-	-
Miscellaneous	-	-	-	-
Total Noncurrent Assets	<u>-</u>	<u>-</u>	<u>55,613</u>	<u>49,888</u>
Total Assets	<u>\$ 135,700</u>	<u>\$ 108,559</u>	<u>\$ 2,556,606</u>	<u>\$ 1,450,037</u>
<b>LIABILITIES AND FUND BALANCES</b>				
Current Liabilities:				
Warrants outstanding	\$ -	\$ -	\$ -	\$ -
Accounts Payable and Other Liabilities	71,199	68,193	389,436	349,249
Contract reserve payable	-	-	-	-
Amounts due to other funds	64,500	40,366	70,282	45,503
Amounts held for others	-	-	-	-
Unearned revenue	-	-	5,663	1,947
Total Current Liabilities	<u>135,700</u>	<u>108,559</u>	<u>465,381</u>	<u>396,699</u>
Long-Term Liabilities:				
Unearned revenue	-	-	84	87
Total Long-Term Liabilities	<u>-</u>	<u>-</u>	<u>84</u>	<u>87</u>
Total Liabilities	<u>135,700</u>	<u>108,559</u>	<u>465,465</u>	<u>396,785</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>	<u>-</u>	<u>-</u>	<u>6</u>	<u>21</u>
Fund Balances:				
Nonspendable	-	-	15,454	10,394
Restricted	-	-	2,075,681	1,042,837
Committed	-	-	-	-
Assigned	-	-	-	-
Total Fund Balances	<u>-</u>	<u>-</u>	<u>2,091,134</u>	<u>1,053,231</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 135,700</u>	<u>\$ 108,559</u>	<u>\$ 2,556,606</u>	<u>\$ 1,450,037</u>



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**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
CAPITAL PROJECT FUNDS**

FISCAL YEARS ENDED SEPTEMBER 30, 2020 and 2019  
(In Thousands)

	STATE TRUNKLINE FUND (excluding Blue Water Bridge Fund)		BLUE WATER BRIDGE FUND	
	2020	2019	2020	2019
<b>REVENUES</b>				
Taxes	\$ -	\$ -	\$ -	\$ -
Federal aid	967,360	855,308	-	-
Local participation	20,687	17,032	-	-
Services	3,161	3,305	-	-
License and permits	6,901	17,300	-	-
Interest earnings on common cash	6,612	12,641	828	1,705
Non-operating revenue-bridges	4,127	4,075	-	-
Miscellaneous	70,193	130,475	17,037	20,964
<b>Total Revenues</b>	<b>1,079,042</b>	<b>1,040,136</b>	<b>17,866</b>	<b>22,668</b>
<b>EXPENDITURES</b>				
Administration and Operations:				
Administration and maintenance	629,344	608,409	6,126	6,358
Other grants	141,415	127,321	-	-
Airport development	-	-	-	-
Non-operating expenditures-bridges	3,919	3,871	-	-
Trust fund construction activity	-	-	-	-
Capital lease payments	21,656	587	-	-
<b>Total Administration and Operations</b>	<b>796,333</b>	<b>740,188</b>	<b>6,126</b>	<b>6,358</b>
Capital Outlay:				
Roads and bridges	1,560,916	1,323,480	3,844	8,779
Other capital outlay	2,577	3,721	-	-
<b>Total Capital Outlay</b>	<b>1,563,493</b>	<b>1,327,201</b>	<b>3,844</b>	<b>8,779</b>
<b>Total Expenditures</b>	<b>2,359,827</b>	<b>2,067,389</b>	<b>9,970</b>	<b>15,137</b>
Excess of Revenues Over (Under) Expenditures	(1,280,785)	(1,027,254)	7,896	7,531
<b>OTHER FINANCING SOURCES</b>				
Capital Lease Acquisitions	205,902	514	-	-
Proceeds from sale of capital assets	206	660	-	-
Michigan transportation fund distribution	1,059,655	1,037,043	-	-
Grants and transfers from other funds	272,782	229,466	-	-
Proceeds from bonds and notes issued	-	-	-	-
Premium on bonds issued	-	-	-	-
<b>Total Other Financing Sources</b>	<b>1,538,546</b>	<b>1,267,683</b>	<b>-</b>	<b>-</b>
<b>OTHER FINANCING USES</b>				
Grants and transfers to other funds	10,508	5,411	73	71
Discount on bonds issued	-	-	-	-
Debt service	192,679	189,491	6,886	7,106
<b>Total Other Financing Uses</b>	<b>203,187</b>	<b>194,902</b>	<b>6,960</b>	<b>7,177</b>
Excess of Other Financing Sources Over (Under) Other Financing Uses	1,335,359	1,072,781	(6,960)	(7,177)
Excess of Revenue and Other Sources Over (Under) Expenditures and Other Uses	54,574	45,527	936	354
Fund balances-Beginning of fiscal year	Note 1 842,918	797,390	71,853	71,499
<b>Fund balances-End of fiscal year</b>	<b>\$ 897,491</b>	<b>\$ 842,918</b>	<b>\$ 72,789</b>	<b>\$ 71,853</b>

Note 1 The beginning fund balance for the Combined Comprehensive Transportation Bond Proceeds Fund was restated in FY20 due to the MiRLap program being reclassified to the Comprehensive Transportation Fund.

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

STATE AERONAUTICS FUND		COMBINED TRUNKLINE FUND BOND PROCEEDS FUND		COMBINED COMPREHENSIVE TRANSPORTATION BOND PROCEEDS FUND	
2020	2019	2020	2019	2020	2019
\$ 13,933	\$ 15,579	\$ -	\$ -	\$ -	\$ -
233,913	67,148	80,331	32,814	-	-
174	4	-	-	-	-
280	511	-	-	-	-
418	505	-	-	-	-
-	-	879	3,109	24	85
-	-	-	-	-	-
670	7,646	-	-	6	1,179
<u>249,389</u>	<u>91,392</u>	<u>81,210</u>	<u>35,924</u>	<u>30</u>	<u>1,264</u>
6,992	7,409	47	-	1,909	1,179
138,863	-	-	-	2,978	1,464
105,459	82,032	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>251,315</u>	<u>89,441</u>	<u>47</u>	<u>-</u>	<u>4,886</u>	<u>2,644</u>
-	-	36,419	1	-	-
192	359	-	-	2,380	-
<u>192</u>	<u>359</u>	<u>36,419</u>	<u>1</u>	<u>2,380</u>	<u>-</u>
251,507	89,800	36,467	1	7,267	2,644
<u>(2,118)</u>	<u>1,592</u>	<u>44,743</u>	<u>35,923</u>	<u>(7,236)</u>	<u>(1,380)</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
6,000	6,000	-	-	198	-
-	-	800,000	-	-	-
-	-	217,306	-	-	-
<u>6,000</u>	<u>6,000</u>	<u>1,017,306</u>	<u>-</u>	<u>198</u>	<u>-</u>
111	112	81,155	35,863	-	-
-	-	-	-	-	-
3,436	3,438	-	-	-	-
<u>3,547</u>	<u>3,550</u>	<u>81,155</u>	<u>35,863</u>	<u>-</u>	<u>-</u>
2,453	2,450	936,151	(35,863)	198	-
335	4,043	980,894	60	(7,038)	(1,380)
16,226	12,183	119,134	119,075	11,302	4,480
<u>\$ 16,561</u>	<u>\$ 16,226</u>	<u>\$ 1,100,028</u>	<u>\$ 119,134</u>	<u>\$ 4,264</u>	<u>\$ 3,100</u>

	TRANSPORTATION RELATED TRUST FUND		TOTALS	
	2020	2019	2020	2019
<b>REVENUES</b>				
Taxes	\$ -	\$ -	\$ 13,933	\$ 15,579
Federal aid	345,170	268,384	1,626,774	1,223,655
Local participation	-	416	20,862	17,453
Services	-	-	3,442	3,816
License and permits	-	-	7,320	17,804
Interest earnings on common cash	-	-	8,344	17,540
Non-operating revenue-bridges	-	-	4,127	4,075
Miscellaneous	892	814	88,798	161,078
<b>Total Revenues</b>	<b>346,062</b>	<b>269,615</b>	<b>1,773,598</b>	<b>1,460,999</b>
<b>EXPENDITURES</b>				
Administration and Operations:				
Administration and maintenance	-	-	644,418	623,355
Other grants	-	-	283,256	128,785
Airport development	-	-	105,459	82,032
Non-operating expenditures-bridges	-	-	3,919	3,871
Trust fund construction activity	346,062	269,615	346,062	269,615
Capital lease payments	-	-	21,656	587
<b>Total Administration and Operations</b>	<b>346,062</b>	<b>269,615</b>	<b>1,404,769</b>	<b>1,108,246</b>
Capital Outlay:				
Roads and bridges	-	-	1,601,180	1,332,260
Other capital outlay	-	-	5,149	4,080
<b>Total Capital Outlay</b>	<b>-</b>	<b>-</b>	<b>1,606,329</b>	<b>1,336,340</b>
<b>Total Expenditures</b>	<b>346,062</b>	<b>269,615</b>	<b>3,011,099</b>	<b>2,444,586</b>
Excess of Revenues Over (Under) Expenditures	-	-	(1,237,500)	(983,587)
<b>OTHER FINANCING SOURCES</b>				
Capital Lease Acquisitions	-	-	205,902	514
Proceeds from sale of capital assets	-	-	206	660
Michigan transportation fund distribution	-	-	1,059,655	1,037,043
Grants and transfers from other funds	-	-	278,981	235,466
Proceeds from bonds and notes issued	-	-	800,000	-
Premium on bonds issued	-	-	217,306	-
<b>Total Other Financing Sources</b>	<b>-</b>	<b>-</b>	<b>2,562,050</b>	<b>1,273,683</b>
<b>OTHER FINANCING USES</b>				
Grants and transfers to other funds	-	-	91,847	41,457
Discount on bonds issued	-	-	-	-
Debt service	-	-	203,001	200,035
<b>Total Other Financing Uses</b>	<b>-</b>	<b>-</b>	<b>294,848</b>	<b>241,492</b>
Excess of Other Financing Sources Over (Under) Other Financing Uses	-	-	2,267,202	1,032,191
Excess of Revenue and Other Sources Over (Under) Expenditures and Other Uses	-	-	1,029,701	48,603
Fund balances-Beginning of fiscal year	-	-	1,061,433	1,004,627
<b>Fund balances-End of fiscal year</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 2,091,134</b>	<b>\$ 1,053,231</b>



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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, 2020  
 (In Thousands)

(Statutory/Budgetary Basis)	STATE TRUNKLINE FUND (excluding Blue Water Bridge Fund)		
	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
<b>REVENUES</b>			
Taxes	\$ -	\$ -	\$ -
Federal aid	967,360	967,360	-
Local participation	20,687	20,687	-
Services	3,161	3,161	-
License and permits	6,901	6,901	-
Interest earnings	6,612	6,612	-
Non-operating revenue-bridges	4,127	4,127	-
Miscellaneous and Service revenue	70,193	70,193	-
<b>Total Revenues</b>	<b>1,079,042</b>	<b>1,079,042</b>	<b>-</b>
<b>EXPENDITURES AND ENCUMBRANCES</b>			
Administration	752,997	666,172	86,825
Other grants	146,430	130,908	15,522
Airport development	-	-	-
Nonoperating expenditure-bridges	4,127	4,127	-
<b>Total Administration and Operations</b>	<b>903,554</b>	<b>801,207</b>	<b>102,347</b>
Roads and bridges	1,533,893	1,487,576	46,317
Other capital outlay	4,777	4,777	-
<b>Total Capital Outlay</b>	<b>1,538,670</b>	<b>1,492,352</b>	<b>46,317</b>
<b>Total Expenditures and Encumbrances</b>	<b>2,442,224</b>	<b>2,293,559</b>	<b>148,665</b>
Excess of Revenue Over(Under) Expenditures and Encumbrances	-	-	-
	(1,363,182)	(1,214,517)	148,665
<b>OTHER FINANCING SOURCES</b>			
Capital Lease Acquisitions	-	-	-
Proceeds of sale of capital assets	206	206	-
Michigan transportation fund distribution	1,059,655	1,059,655	-
Grants and transfers from other funds	272,782	272,782	-
Proceeds from bonds and notes issued	-	-	-
Premium on bonds issued	-	-	-
<b>Total Financing Sources</b>	<b>1,332,644</b>	<b>1,332,644</b>	<b>-</b>
<b>OTHER FINANCING USES</b>			
Grants and transfers to other funds	10,508	10,508	-
Discount on bonds issued	-	-	-
Debt service	192,679	192,679	-
<b>Total Financing Uses</b>	<b>203,187</b>	<b>203,187</b>	<b>-</b>
Excess Other Financial Sources Over(Under) Other Financial Uses	-	-	-
	1,129,457	1,129,457	-
Excess of Revenue and Other Financial Sources Over(Under) Expenditures, Encumbrances and Other Financial Uses	-	-	-
	\$ (233,725)	\$ (85,060)	\$ 148,665
<b>RECONCILING ITEMS</b>			
Encumbrances at September 30		139,634	
Funds not annually budgeted		-	
<b>Net Reconciling Items</b>		<b>139,634</b>	
Excess of Revenue and Other Financial Sources Over(Under) Expenditures and Other Financial Uses (GAAP Basis)		-	
		54,574	
<b>FUND BALANCES (GAAP BASIS)</b>			
Beginning balance - Restated		842,918	
Ending balances (GAAP Basis)		\$ 897,491	

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

BLUE WATER BRIDGE FUND			STATE AERONAUTICS FUND		
BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
\$ -	\$ -	\$ -	\$ 13,933	\$ 13,933	\$ -
-	-	-	233,913	233,913	-
-	-	-	174	174	-
-	-	-	280	280	-
-	-	-	418	418	-
828	828	-	-	-	-
-	-	-	-	-	-
17,037	17,037	-	670	670	-
17,866	17,866	-	249,389	249,389	-
6,716	6,126	591	8,818	6,964	1,854
-	-	-	138,863	138,863	-
-	-	-	108,719	107,294	1,425
-	-	-	-	-	-
6,716	6,126	591	256,400	253,122	3,279
14,983	6,531	8,452	-	-	-
-	-	-	217	217	-
14,983	6,531	8,452	217	217	-
21,699	12,657	9,043	256,617	253,338	3,279
-	-	-	-	-	-
(3,833)	5,209	9,043	(7,228)	(3,949)	3,279
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	6,000	6,000	-
-	-	-	-	-	-
-	-	-	6,000	6,000	-
73	73	-	150	111	39
-	-	-	-	-	-
6,886	6,886	-	3,436	3,436	-
6,960	6,960	-	3,586	3,547	39
(6,960)	(6,960)	-	2,414	2,453	39
\$ (10,793)	\$ (1,750)	\$ 9,043	\$ (4,814)	\$ (1,496)	\$ 3,318
	2,687			1,831	
	-			-	
	2,687			1,831	
	-			-	
	936			335	
	71,853			16,226	
	\$ 72,789			\$ 16,561	

	Funds not Annually Budgeted		
(Statutory/Budgetary Basis)	COMBINED TRUNKLINE FUND BOND PROCEEDS FUND	COMBINED COMPREHENSIVE TRANSPORTATION BOND PROCEEDS FUND	TRANSPORTATION RELATED TRUST FUND
<b>REVENUES</b>			
Taxes	\$ -	\$ -	\$ -
Federal aid	-	-	-
Local participation	-	-	-
Services	-	-	-
License and permits	-	-	-
Interest earnings	-	-	-
Non-operating revenue-bridges	-	-	-
Miscellaneous and Service revenue	-	-	-
Total Revenues	-	-	-
<b>EXPENDITURES AND ENCUMBRANCES</b>			
Administration	-	-	-
Other grants	-	-	-
Airport development	-	-	-
Nonoperating expenditure-bridges	-	-	-
Total Administration and Operations	-	-	-
Roads and bridges	-	-	-
Other capital outlay	-	-	-
Total Capital Outlay	-	-	-
Total Expenditures and Encumbrances	-	-	-
Excess of Revenue Over(Under) Expenditures and Encumbrances	-	-	-
<b>OTHER FINANCING SOURCES</b>			
Capital Lease Acquisitions	-	-	-
Proceeds of sale of capital assets	-	-	-
Michigan transportation fund distribution	-	-	-
Grants and transfers from other funds	-	-	-
Premium on bonds issued	-	-	-
Total Financing Sources	-	-	-
<b>OTHER FINANCING USES</b>			
Grants and transfers to other funds	-	-	-
Discount on bonds issued	-	-	-
Debt service	-	-	-
Total Financing Uses	-	-	-
Excess Other Financial Sources Over(Under) Other Financial Uses	-	-	-
Excess of Revenue and Other Financial Sources Over(Under) Expenditures, Encumbrances and Other Financial Uses	-	-	-
<b>RECONCILING ITEMS</b>			
Encumbrances at September 30	-	-	-
Funds not annually budgeted	980,894	(7,038)	-
Net Reconciling Items	980,894	(7,038)	-
Excess of Revenue and Other Financial Sources Over(Under) Expenditures and Other Financial Uses (GAAP Basis)	980,894	(7,038)	-
<b>FUND BALANCES (GAAP BASIS)</b>			
Beginning balance - Restated	119,134	11,302	-
Ending balances (GAAP Basis)	\$ 1,100,028	\$ 4,264	\$ -

TOTALS		
BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
\$ 13,933	\$ 13,933	\$ -
1,201,273	1,201,273	-
20,862	20,862	-
3,442	3,442	-
7,320	7,320	-
7,440	7,440	-
4,127	4,127	-
87,900	87,900	-
<u>1,346,296</u>	<u>1,346,296</u>	<u>-</u>
768,532	679,262	89,270
285,293	269,771	15,522
108,719	107,294	1,425
4,127	4,127	-
<u>1,166,671</u>	<u>1,060,454</u>	<u>106,217</u>
1,548,876	1,494,107	54,769
4,993	4,993	-
<u>1,553,869</u>	<u>1,499,100</u>	<u>54,769</u>
<u>2,720,540</u>	<u>2,559,554</u>	<u>160,986</u>
-	-	-
<u>(1,374,244)</u>	<u>(1,213,258)</u>	<u>160,986</u>
-	-	-
206	206	-
1,059,655	1,059,655	-
278,782	278,782	-
-	-	-
-	-	-
<u>1,338,644</u>	<u>1,338,644</u>	<u>-</u>
10,731	10,692	39
-	-	-
<u>203,001</u>	<u>203,001</u>	<u>-</u>
<u>213,732</u>	<u>213,693</u>	<u>39</u>
<u>1,124,912</u>	<u>1,124,951</u>	<u>39</u>
\$ <u>(249,332)</u>	\$ <u>(88,307)</u>	\$ <u>161,025</u>
	144,152	
	<u>973,856</u>	
	<u>1,118,008</u>	
	-	
	<u>1,029,701</u>	
	1,061,433	
	\$ <u>2,091,134</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, 2019  
 (In Thousands)

(Statutory/Budgetary Basis)	STATE TRUNKLINE FUND (excluding Blue Water Bridge Fund)		
	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
<b>REVENUES</b>			
Taxes	\$ -	\$ -	\$ -
Federal aid	855,308	855,308	-
Local participation	17,032	17,032	-
Services	3,305	3,305	-
License and permits	17,300	17,300	-
Interest earnings	12,641	12,641	-
Non-operating revenue-bridges	4,075	4,075	-
Miscellaneous and Service revenue	130,475	130,475	-
<b>Total Revenues</b>	<b>1,040,136</b>	<b>1,040,136</b>	<b>-</b>
<b>EXPENDITURES AND ENCUMBRANCES</b>			
Administration	663,084	636,938	26,146
Other grants	174,130	120,466	53,665
Airport development	-	-	-
Nonoperating expenditure-bridges	4,075	4,075	-
<b>Total Administration and Operations</b>	<b>841,290</b>	<b>761,479</b>	<b>79,810</b>
Roads and bridges	1,393,512	1,393,512	-
Other capital outlay	4,761	4,761	-
<b>Total Capital Outlay</b>	<b>1,398,272</b>	<b>1,398,272</b>	<b>-</b>
<b>Total Expenditures and Encumbrances</b>	<b>2,239,562</b>	<b>2,159,752</b>	<b>79,810</b>
Excess of Revenue Over(Under) Expenditures and Encumbrances	(1,199,427)	(1,119,616)	79,810
<b>OTHER FINANCING SOURCES</b>			
Capital Lease Acquisitions	-	-	-
Proceeds of sale of capital assets	660	660	-
Michigan transportation fund distribution	1,037,043	1,037,043	-
Grants and transfers from other funds	229,466	229,466	-
Premium on bonds issued	-	-	-
<b>Total Financing Sources</b>	<b>1,267,169</b>	<b>1,267,169</b>	<b>-</b>
<b>OTHER FINANCING USES</b>			
Grants and transfers to other funds	5,411	5,411	-
Discount on bonds issued	-	-	-
Debt service	189,491	189,491	-
<b>Total Financing Uses</b>	<b>194,902</b>	<b>194,902</b>	<b>-</b>
Excess of Revenue and Other Financial Sources Over(Under) Expenditures, Encumbrances and Other Financial Uses	\$ (127,159)	\$ (47,349)	\$ 79,810
<b>RECONCILING ITEMS</b>			
Encumbrances at September 30		92,876	
Funds not annually budgeted		-	
<b>Net Reconciling Items</b>		<b>92,876</b>	
Excess of Revenue and Other Financial Sources Over(Under) Expenditures and Other Financial Uses (GAAP Basis)		45,527	
<b>FUND BALANCES (GAAP BASIS)</b>			
Beginning balance - Restated		797,390	
Ending balances (GAAP Basis)		\$ 842,918	

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

BLUE WATER BRIDGE FUND			STATE AERONAUTICS FUND		
BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
\$ -	\$ -	\$ -	\$ 15,579	\$ 15,579	\$ -
-	-	-	67,148	67,148	-
-	-	-	4	4	-
-	-	-	511	511	-
-	-	-	505	505	-
1,705	1,705	-	-	-	-
-	-	-	-	-	-
20,964	20,964	-	7,646	7,646	-
<u>22,668</u>	<u>22,668</u>	<u>-</u>	<u>91,392</u>	<u>91,392</u>	<u>-</u>
6,610	6,358	252	8,806	7,354	1,452
-	-	-	-	-	-
-	-	-	82,637	82,633	3
-	-	-	-	-	-
<u>6,610</u>	<u>6,358</u>	<u>252</u>	<u>91,442</u>	<u>89,987</u>	<u>1,455</u>
10,916	10,916	-	-	-	-
-	-	-	369	369	-
<u>10,916</u>	<u>10,916</u>	<u>-</u>	<u>369</u>	<u>369</u>	<u>-</u>
<u>17,525</u>	<u>17,273</u>	<u>252</u>	<u>91,812</u>	<u>90,356</u>	<u>1,455</u>
5,143	5,395	252	(419)	1,036	1,455
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	6,000	6,000	-
-	-	-	-	-	-
-	-	-	6,000	6,000	-
71	71	-	150	112	38
-	-	-	-	-	-
7,106	7,106	-	3,438	3,438	-
7,177	7,177	-	3,588	3,550	38
(7,177)	(7,177)	-	2,412	2,450	38
<u>(2,034)</u>	<u>(1,782)</u>	<u>252</u>	<u>1,993</u>	<u>3,486</u>	<u>1,493</u>
	2,136			557	
	-			-	
	<u>2,136</u>			<u>557</u>	
	354			4,043	
	71,499			12,183	
	<u>\$ 71,853</u>			<u>\$ 16,226</u>	

Funds not Annually Budgeted

(Statutory/Budgetary Basis)	COMBINED TRUNKLINE FUND BOND PROCEEDS FUND	COMBINED COMPREHENSIVE TRANSPORTATION BOND PROCEEDS FUND	TRANSPORTATION RELATED TRUST FUND
<b>REVENUES</b>			
Taxes	\$ -	\$ -	\$ -
Federal aid	-	-	-
Local participation	-	-	-
Services	-	-	-
License and permits	-	-	-
Interest earnings	-	-	-
Non-operating revenue-bridges	-	-	-
Miscellaneous and Service revenue	-	-	-
<b>Total Revenues</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>EXPENDITURES AND ENCUMBRANCES</b>			
Administration	-	-	-
Other grants	-	-	-
Airport development	-	-	-
Nonoperating expenditure-bridges	-	-	-
<b>Total Administration and Operations</b>	<b>-</b>	<b>-</b>	<b>-</b>
Roads and bridges	-	-	-
Other capital outlay	-	-	-
<b>Total Capital Outlay</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Expenditures and Encumbrances</b>	<b>-</b>	<b>-</b>	<b>-</b>
Excess of Revenue Over(Under) Expenditures and Encumbrances	-	-	-
<b>OTHER FINANCING SOURCES</b>			
Capital Lease Acquisitions	-	-	-
Proceeds of sale of capital assets	-	-	-
Michigan transportation fund distribution	-	-	-
Grants and transfers from other funds	-	-	-
Premium on bonds issued	-	-	-
<b>Total Financing Sources</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>OTHER FINANCING USES</b>			
Grants and transfers to other funds	-	-	-
Discount on bonds issued	-	-	-
Debt service	-	-	-
<b>Total Financing Uses</b>	<b>-</b>	<b>-</b>	<b>-</b>
Excess Other Financial Sources Over(Under) Other Financial Uses	-	-	-
Excess of Revenue and Other Financial Sources Over(Under) Expenditures, Encumbrances and Other Financial Uses	-	-	-
<b>RECONCILING ITEMS</b>			
Encumbrances at September 30	-	-	-
Funds not annually budgeted	60	(1,380)	-
<b>Net Reconciling Items</b>	<b>60</b>	<b>(1,380)</b>	<b>-</b>
Excess of Revenue and Other Financial Sources Over(Under) Expenditures and Other Financial Uses (GAAP Basis)	60	(1,380)	-
<b>FUND BALANCES (GAAP BASIS)</b>			
Beginning balance - Restated	119,075	4,480	-
Ending balances (GAAP Basis)	\$ 119,134	\$ 3,100	\$ -

TOTALS		
BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
\$ 15,579	\$ 15,579	\$ -
922,456	922,456	-
17,036	17,036	-
3,816	3,816	-
17,804	17,804	-
14,346	14,346	-
4,075	4,075	-
<u>159,084</u>	<u>159,084</u>	<u>-</u>
<u>1,154,196</u>	<u>1,154,196</u>	<u>-</u>
678,499	650,650	27,849
174,130	120,466	53,665
82,637	82,633	3
4,075	4,075	-
<u>939,341</u>	<u>857,824</u>	<u>81,517</u>
<u>1,404,427</u>	<u>1,404,427</u>	<u>-</u>
<u>5,130</u>	<u>5,130</u>	<u>-</u>
<u>1,409,558</u>	<u>1,409,558</u>	<u>-</u>
<u>2,348,899</u>	<u>2,267,382</u>	<u>81,517</u>
<u>(1,194,703)</u>	<u>(1,113,186)</u>	<u>81,517</u>
-	-	-
660	660	-
1,037,043	1,037,043	-
235,466	235,466	-
<u>-</u>	<u>-</u>	<u>-</u>
<u>1,273,169</u>	<u>1,273,169</u>	<u>-</u>
5,632	5,594	38
-	-	-
<u>200,035</u>	<u>200,035</u>	<u>-</u>
<u>205,667</u>	<u>205,629</u>	<u>38</u>
<u>1,067,502</u>	<u>1,067,540</u>	<u>38</u>
\$ <u>(127,201)</u>	\$ <u>(45,645)</u>	\$ <u>81,555</u>
	95,569	
	<u>(1,320)</u>	
	<u>94,249</u>	
	<u>48,603</u>	
	1,004,627	
	\$ <u>1,053,231</u>	



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**MICHIGAN DEPARTMENT OF TRANSPORTATION**  
**DESCRIPTIONS OF DEBT SERVICE FUNDS**  
FISCAL YEAR ENDED SEPTEMBER 30, 2020

**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, 2020 and 2019  
 (In Thousands)

	COMBINED STATE TRUNKLINE BOND AND INTEREST REDEMPTION FUND		COMBINED COMPREHENSIVE TRANSPORTATION BOND AND INTEREST REDEMPTION FUND		TOTALS	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
<b>ASSETS</b>						
Current Assets:						
Equity in Common Cash	\$ 30	\$ -	\$ -	\$ -	\$ 30	\$ -
Amounts due from other funds	-	-	-	-	-	-
Other Current Assets	-	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Assets	<u>\$ 30</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 30</u>	<u>\$ -</u>
<b>LIABILITIES AND FUND BALANCES</b>						
Current Liabilities:						
Warrants Outstanding	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts payable and other liabilities	-	-	-	-	-	-
Amounts due to other funds	-	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances:						
Unreserved	<u>30</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>30</u>	<u>-</u>
Total Fund Balances	<u>30</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>30</u>	<u>-</u>
Total Liabilities and Fund Balances	<u>\$ 30</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 30</u>	<u>\$ -</u>

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

MICHIGAN DEPARTMENT OF TRANSPORTATION  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**DEBT SERVICE FUNDS**  
 FISCAL YEARS ENDED SEPTEMBER 30, 2020 and 2019  
 (In Thousands)

	COMBINED STATE TRUNKLINE BOND AND INTEREST REDEMPTION FUND		COMBINED COMPREHENSIVE TRANSPORTATION BOND AND INTEREST REDEMPTION FUND		TOTALS	
	2020	2019	2020	2019	2020	2019
<b>REVENUES</b>						
Interest earnings	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Miscellaneous	2	2	-	-	2	2
Total Revenues	<u>2</u>	<u>2</u>	<u>-</u>	<u>-</u>	<u>2</u>	<u>2</u>
<b>EXPENDITURES</b>						
Administration	-	-	-	-	-	1
Costs of issuance	545	2	-	-	545	2
Bond principal retirement	150,330	140,065	11,335	18,900	161,665	158,965
Bond interest and fiscal charges	49,236	56,532	2,997	3,939	52,232	60,472
Total Expenditures	<u>200,110</u>	<u>196,599</u>	<u>14,332</u>	<u>22,840</u>	<u>214,443</u>	<u>219,439</u>
Excess of Revenues Over (Under) Expenditures	<u>(200,109)</u>	<u>(196,597)</u>	<u>(14,332)</u>	<u>(22,839)</u>	<u>(214,440)</u>	<u>(219,437)</u>
<b>OTHER FINANCING SOURCES</b>						
Proceeds from refunding bond issues	103,485	-	-	-	103,485	-
Premium on bonds issued	7,675	-	-	-	7,675	-
Transfer from State Aeronautics Fund	-	-	3,436	3,438	3,436	3,438
Transfer from State Trunkline Fund	199,566	196,597	-	-	199,566	196,597
Transfer from Comprehensive Transportation Fund	-	-	10,896	19,401	10,896	19,401
Total Other Financing Sources	<u>310,725</u>	<u>196,597</u>	<u>14,332</u>	<u>22,839</u>	<u>325,057</u>	<u>219,437</u>
<b>OTHER FINANCING USES</b>						
Payment to refunded bond escrow agent	110,587	-	-	-	110,587	-
Total Other Financing Uses	<u>110,587</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>110,587</u>	<u>-</u>
Excess of Other Sources Over (Under) Other Uses	<u>200,139</u>	<u>196,597</u>	<u>14,332</u>	<u>22,839</u>	<u>214,470</u>	<u>219,437</u>
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	30	-	-	-	30	-
Fund balances-Beginning of fiscal year	-	-	-	-	-	-
Fund balances-End of fiscal year	<u>\$ 30</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 30</u>	<u>\$ -</u>

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



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# 2020

## ANNUAL FINANCIAL REPORT

# Statistical Section





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## **FINANCIAL SCHEDULES**

**MICHIGAN DEPARTMENT OF TRANSPORTATION  
SCHEDULE OF REVENUES AND EXPENDITURES  
SPECIAL REVENUE FUNDS AND CAPITAL PROJECTS FUNDS  
LAST TEN YEARS  
SEPTEMBER 30, 2020  
(In Thousands)**

	<u>2010-2011</u>	<u>2011-2012</u>	<u>2012-2013</u>
<b>REVENUES AND OTHER SOURCES:</b>			
Michigan Transportation Fund	\$ 1,852,109	\$ 1,858,160	\$ 1,894,679
State Trunkline Fund			
Economic Development	68,427	68,739	51,745
Road and Bridge Program	1,796,420	1,609,683	1,638,111
Blue Water Bridge Fund	21,934	22,573	24,818
Comprehensive Transportation Fund	293,560	314,275	496,404
Aeronautics Fund	98,119	117,694	98,334
Transportation Related Trust Fund	256,695	247,875	259,185
1992 State Trunkline Bond Proceeds Fund	325	5	245
1994 State Trunkline Bond Proceeds Fund	-	(3)	4
2001 Build Michigan III Bond Proceeds Fund	102	(6)	11
2001 & 2002 Build Michigan II Grant Anticipation Note Proceeds Fund	610	565	-
2002 & 2003 Comprehensive Transportation Bond Proceeds Fund	13,348	144	693
2004 State Trunkline Bond Proceeds Fund	804	31	66
2011 State Trunkline Bond Proceeds Fund	-	63,018	10,431
2020B Rebuilding Michigan Bond Program	-	-	-
Economic Stimulus Bonds	1,434	24,340	37,495
Jobs Today Bond Proceeds Fund	91,483	26,745	127,194
Blue Water Bridge Plaza Series Bonds	(6)	61,010	210
	<u>                    </u>	<u>                    </u>	<u>                    </u>
<b>TOTAL REVENUES AND OTHER SOURCES</b>	<b>\$ 4,495,364</b>	<b>\$ 4,414,848</b>	<b>\$ 4,639,625</b>
<b>EXPENDITURES AND OTHER USES:</b>			
Michigan Transportation Fund	\$ 1,852,109	\$ 1,858,160	\$ 1,894,679
State Trunkline Fund			
Economic Development	70,372	67,737	48,702
Traditional Program	1,684,489	1,628,318	1,537,190
Blue Water Bridge Fund	7,474	14,644	13,488
Comprehensive Transportation Fund	277,708	293,624	479,460
Aeronautics Fund	97,239	119,053	93,693
Transportation Related Trust Fund	256,695	247,875	259,185
1992 State Trunkline Bond Proceeds Fund	329	1,710	46
1994 State Trunkline Bond Proceeds Fund	-	28	5
2001 Build Michigan III Bond Proceeds Fund	701	(134)	410
2001 & 2002 Build Michigan II Grant Anticipation Note Proceeds Fund	675	25	202
2002 & 2003 Comprehensive Transportation Bond Proceeds Fund	14,665	22,573	12,296
2004 State Trunkline Bond Proceeds Fund	1,439	712	582
2011 State Trunkline Bond Proceeds Fund	-	26,490	23,453
2020B Rebuilding Michigan Bond Program	-	-	-
Economic Stimulus Bonds	27,488	3,270	20,854
Jobs Today Bond Proceeds Fund	48,664	48,960	148,568
Blue Water Bridge Plaza Series Bonds	26,042	25,348	8,009
	<u>                    </u>	<u>                    </u>	<u>                    </u>
<b>TOTAL EXPENDITURES AND OTHER USES</b>	<b>\$ 4,366,089</b>	<b>\$ 4,358,393</b>	<b>\$ 4,540,822</b>

	<u>2013-2014</u>	<u>2014-2015</u>	<u>2015-2016</u>	<u>2016-2017</u>	<u>2017-2018</u>	<u>2018-2019</u>	<u>2019-2020</u>
\$	1,937,904	\$ 2,022,175	\$ 2,072,328	2,617,638	2,808,250	3,124,744	3,169,811
	48,223	57,717	54,332	26,440	53,272	54,603	41,348
	1,772,689	1,733,972	1,714,350	1,954,893	1,943,524	2,253,215	2,576,240
	22,441	20,968	21,285	22,281	22,414	22,668	17,866
	401,373	389,096	352,243	376,541	406,879	406,153	421,490
	86,956	89,305	72,616	96,279	106,234	97,392	255,389
	315,459	314,462	264,737	283,877	276,163	269,615	346,062
	239	-	-	-	-	-	-
	2	-	-	-	-	-	-
	41	1	-	-	-	-	-
	-	-	-	-	-	-	-
	365	86	75	3,390	1,820	1,264	229
	2,549	122	(8)	-	-	-	-
	60,338	8,399	2,977	6	16,066	(1,752)	275
	-	-	-	-	-	-	1,048,174
	21	1,074	4,031	4,483	1,491	31,458	20,004
	15	44,710	57,499	112,582	20,552	6,210	30,062
	<u>2</u>	<u>4</u>	<u>5</u>	<u>1</u>	<u>16</u>	<u>8</u>	<u>1</u>
\$	<u>4,648,617</u>	<u>4,682,091</u>	<u>4,616,470</u>	<u>5,498,411</u>	<u>5,656,681</u>	<u>6,265,578</u>	<u>7,926,951</u>
\$	1,937,904	\$ 2,022,175	\$ 2,072,328	2,617,638	2,808,250	3,124,743	3,169,811
	52,211	63,906	49,226	36,232	51,330	58,219	47,843
	1,707,553	1,670,003	1,695,233	1,976,204	1,983,756	2,204,072	2,515,171
	15,131	24,410	24,331	15,986	18,916	22,314	16,930
	388,597	403,744	358,385	358,983	344,360	373,106	410,776
	93,671	92,869	73,243	100,109	105,638	93,350	255,054
	315,459	314,462	264,737	283,877	276,163	269,615	346,062
	209	-	-	-	-	-	-
	-	-	-	-	-	-	-
	41	555	-	-	1	-	-
	(267)	-	-	-	-	-	-
	7,374	835	2,611	6,085	1,270	2,644	7,267
	9,442	2,507	(8)	-	-	-	-
	66,996	11,042	6,124	1,037	122	1	14
	-	-	-	-	-	-	36,452
	8,718	5,377	2	-	-	-	-
	36,778	40,413	34,858	43,721	37,783	35,863	81,155
	<u>562</u>	<u>1,139</u>	<u>(318)</u>	<u>344</u>	<u>-</u>	<u>-</u>	<u>-</u>
\$	<u>4,640,379</u>	<u>4,653,437</u>	<u>4,580,752</u>	<u>5,440,216</u>	<u>5,627,589</u>	<u>6,183,927</u>	<u>6,886,535</u>

MICHIGAN DEPARTMENT OF TRANSPORTATION  
**SCHEDULE OF REVENUES, EXPENDITURES & CHANGES IN FUND BALANCES**  
**ECONOMIC DEVELOPMENT FUND**  
 FISCAL YEARS ENDED SEPTEMBER 30, 2020 and 2019  
 (In Thousands)

		2020		2019
<b>REVENUES AND OTHER SOURCES</b>				
Licenses and permits	\$	-		\$ 9,588
Federal aid		-		-
Local participation		-		-
Interest earnings		1,062		2,322
Michigan Transportation Fund distribution		40,275		40,275
Miscellaneous		11		19
Fees		-		2,398
		41,348		54,603
<b>EXPENDITURES AND OTHER USES</b>				
Administration		432		420
Forest roads		5,000		5,000
Target industries-state takeovers		7,100		3,801
Rural county urban system		3,390		1,865
Urban county congestion		10,276		28,288
Rural county primary		6,476		5,805
Community Service Infrastructure Fund	Note 1	3,532		1,444
Special Projects		-		-
Debt service		11,638		11,595
		47,844		58,219
Excess of Revenue and Other Sources Over (Under) Expenditures and Other Uses				
		(6,495)		(3,616)
Fund Balances-Beginning of fiscal year				
		96,845		100,462
Fund Balances-Adjustments				
		-		-
Fund Balances-End of fiscal year				
	\$	90,350		\$ 96,845

The Economic Development Fund is a subfund of the State Trunkline Fund created during FY 1988. The amounts shown above are 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.

Note 1: New program in FY19



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MICHIGAN DEPARTMENT OF TRANSPORTATION  
**CONSTRUCTION AND CAPITAL PROPERTY ACQUISITIONS**  
**BY FUNCTIONAL ACTIVITY**  
FISCAL YEAR ENDED SEPTEMBER 30, 2020  
(In Thousands)

	<u>Construction Supervision</u>	<u>Preliminary Engineering</u>	<u>Right-of-Way</u>
<b>STATE TRUNKLINE FUND</b>			
Roads and bridges	\$ 114,928	\$ 159,214	\$ 38,822
Economic development fund	30	142	1,064
Work orders - state facilities	-	-	-
Subtotal	<u>114,958</u>	<u>159,356</u>	<u>39,886</u>
<b>BLUE WATER BRIDGE FUND</b>			
	<u>494</u>	<u>924</u>	<u>-</u>
Subtotal	<u>494</u>	<u>924</u>	<u>-</u>
<b>STATE AERONAUTICS AND GENERAL FUNDS</b>			
Airport development	-	7,635	826
Work orders - state facilities	-	-	-
Subtotal	<u>-</u>	<u>7,635</u>	<u>826</u>
<b>COMPREHENSIVE TRANSPORTATION FUND</b>			
Rail freight	-	-	-
Bus transit	-	83	-
Intercity bus, rail, water	-	-	-
Subtotal	<u>-</u>	<u>83</u>	<u>-</u>
<b>BOND PROCEEDS FUNDS</b>			
State Trunkline Fund	1,568	2,489	857
Comprehensive Transportation Fund	-	-	-
Aeronautics Fund	-	-	-
Subtotal	<u>1,568</u>	<u>2,489</u>	<u>857</u>
Total Capital Acquisitions	<u>\$ 117,020</u>	<u>\$ 170,487</u>	<u>\$ 41,569</u>

<u>Utility Relocation</u>	<u>Physical Construction</u>	<u>Special Projects</u>	<u>Other Activities</u>	<u>Totals</u>
\$ 32,808	\$ 1,103,884	\$ -	\$ 51,656	\$ 1,501,312
-	29,505	-	-	30,741
-	-	-	1,426	1,426
<u>32,808</u>	<u>1,133,389</u>	<u>-</u>	<u>53,082</u>	<u>1,533,479</u>
-	1,358	-	767	3,544
-	1,358	-	767	3,544
-	107,987	-	127,096	243,544
-	-	-	-	-
-	107,987	-	127,096	243,544
-	1,744	-	7,354	9,099
-	-	-	298,095	298,177
-	2,864	-	51,358	54,222
-	4,608	-	356,807	361,498
-	29,420	-	-	34,334
-	-	-	3,857	3,857
-	-	-	-	-
-	29,420	-	3,857	38,191
<u>\$ 32,808</u>	<u>\$ 1,276,762</u>	<u>\$ -</u>	<u>\$ 541,609</u>	<u>\$ 2,180,255</u>

MICHIGAN DEPARTMENT OF TRANSPORTATION  
**CONSTRUCTION AND CAPITAL PROPERTY ACQUISITIONS**  
**BY FUNCTIONAL ACTIVITY**  
FISCAL YEAR ENDED SEPTEMBER 30, 2019  
(In Thousands)

	<u>Construction Supervision</u>	<u>Preliminary Engineering</u>	<u>Right-of-Way</u>
<b>STATE TRUNKLINE FUND</b>			
Roads and bridges	\$ 110,688	\$ 124,707	\$ 8,683
Economic development fund	1,412	16	94
Work orders - state facilities	-	-	-
Subtotal	<u>112,100</u>	<u>124,723</u>	<u>8,777</u>
<b>BLUE WATER BRIDGE FUND</b>			
	<u>706</u>	<u>666</u>	<u>-</u>
Subtotal	<u>706</u>	<u>666</u>	<u>-</u>
<b>STATE AERONAUTICS AND GENERAL FUNDS</b>			
Airport development	2,973	3,332	2,074
Work orders - state facilities	-	-	-
Subtotal	<u>2,973</u>	<u>3,332</u>	<u>2,074</u>
<b>COMPREHENSIVE TRANSPORTATION FUND</b>			
Rail freight	-	-	-
Bus transit	-	-	-
Intercity bus, rail, water	-	-	-
Subtotal	<u>-</u>	<u>-</u>	<u>-</u>
<b>BOND PROCEEDS FUNDS</b>			
State Trunkline Fund	(3)	-	(4)
Comprehensive Transportation Fund	-	-	-
Aeronautics Fund	-	-	-
Subtotal	<u>(3)</u>	<u>-</u>	<u>(4)</u>
Total Capital Acquisitions	<u>\$ 115,777</u>	<u>\$ 128,720</u>	<u>\$ 10,847</u>

<u>Utility Relocation</u>	<u>Physical Construction</u>	<u>Special Projects</u>	<u>Other Activities</u>	<u>Totals</u>
\$ 29	\$ 1,005,804	\$ -	\$ 13,829	\$ 1,263,740
-	38,172	-	5,047	44,741
-	-	-	4,325	4,325
<u>29</u>	<u>1,043,976</u>	<u>-</u>	<u>23,202</u>	<u>1,312,806</u>
-	6,127	-	957	8,456
-	6,127	-	957	8,456
-	56,704	-	7,277	72,360
-	-	-	-	-
-	56,704	-	7,277	72,360
-	-	-	1,282	688
-	-	-	67,269	55,961
-	-	-	59,730	52,972
-	-	-	128,281	128,281
-	-	-	35,870	35,864
-	-	-	2,680	2,680
-	-	-	18	18
-	-	-	38,568	38,562
<u>\$ 29</u>	<u>\$ 1,106,808</u>	<u>\$ -</u>	<u>\$ 198,285</u>	<u>\$ 1,560,465</u>

Michigan Department of Transportation  
Schedule of Expenditures of Federal Awards  
Fiscal Year Ended September 30, 2020

Distributed to Subrecipients

Grantor Agency/Federal Assistance Program Title	CFDA* Program Number	Direct Award (Y/N)	Pass Through Entity	Pass- Through Entity ID Number	Research and Develop- ment (Y/N)	Directly Expended by Department	To Other State Agencies	To Non-State Entities	Total Expended and Distributed
<b>U.S. Department of Transportation</b>									
Highway Planning and Construction Cluster									
Direct Programs:									
Highway Planning and Construction	20.205	Y			N	1,293,735,729		30,590,740	1,324,326,469
Highway Planning and Construction	20.205	Y			Y	6,385,256			6,385,256
Recreational Trails Program	20.219	Y			N	686,251			686,251
Federal Lands Access Program	20.224	Y			N	3,366,933			3,366,933
Total Highway Planning and Construction Cluster						1,304,174,170	-	30,590,740	1,334,764,910
Federal Transit Cluster									
Direct Programs:									
Bus and Bus Facilities Formula Program	20.526	Y			N			12,021,305	12,021,305
Total Federal Transit Cluster						-	-	12,021,305	12,021,305
Transit Services Programs Cluster									
Direct Programs:									
Enhanced Mobility for Seniors and Individuals with Disabilities	20.513	Y			N			5,669,025	5,669,025
Job Access and Reverse Commute Program	20.516	Y			N			51,427	51,427
New Freedom Program	20.521	Y			N			206,377	206,377
Total Transit Services Programs Cluster						-		5,926,829	5,926,829
Direct Programs:									
Airport Improvement Program (Note 1)	20.106	Y			N	28,143,356			28,143,356
Airport Improvement Program - COVID19/CARES Funds (Note 1)	20.106	Y			N	2,606,963			2,606,963
Highway Research and Development Program	20.200	Y			Y	2,809,103		36,562	2,845,664
Highway Training and Education	20.215	Y			N			164,756	164,756
Metropolitan Transportation Planning and State and Non-Metropolitan Planning and Research	20.505	Y			N	46		4,229,112	4,229,158
Formula Grants for Rural Areas	20.509	Y			N	2,364,267		26,619,013	28,983,280
Formula Grants for Rural Areas - COVID19/CARES Funds	20.509	Y			N	119,145		23,965,511	24,084,656
Public Transportation Research, Technical Assistance, and Training	20.514	Y			N			628,595	628,595
Rail Fixed Guideway Public Transportation System State Safety Oversight									
Formula Grant Program	20.528	Y			N	47,334			47,334
National Priority Safety Programs	20.616	N	State Police		N	49,948			49,948
National Infrastructure Investments	20.933	Y			N	19,524,193		88,374	19,612,567
Total Direct Programs						55,664,354	-	55,731,923	111,396,276
<b>Total U.S. Department of Transportation</b>						1,359,838,523	-	104,270,797	1,464,109,321
<b>U.S. Department of Health and Human Services</b>									
TANF Cluster									
Temporary Assistance for Needy Families (TANF) State Programs	93.558	N	Health and Human Services	15-99001	N	550,000		-	550,000
Total TANF Cluster						550,000	-	-	550,000
<b>Total U.S. Department of Health and Human Services</b>						550,000	-	-	550,000
Total Expenditures of Federal Awards						1,360,388,523	-	104,270,797	1,464,659,321

\* CFDA is defined as Catalog of Federal Domestic Assistance

Michigan Department of Transportation  
Schedule of Expenditures of Federal Awards  
Fiscal Year Ended September 30, 2019

Grantor Agency/Federal Assistance Program Title	CFDA* Program Number	Direct Award (Y/N)	Pass Through Entity	Pass- Through Entity ID Number	Research and Develop- ment (Y/N)	Distributed to Subrecipients			Total Expended and Distributed
						Directly Expended by Department	To Other State Agencies	To Non-State Entities	
<b>U.S. Department of Transportation</b>									
Highway Planning and Construction Cluster									
Direct Programs:									
Highway Planning and Construction	20.205	Y			N	1,097,980,994		39,294,756	1,137,275,750
Highway Planning and Construction	20.205	Y			Y	4,735,263			4,735,263
Recreational Trails Program	20.219	Y			N	185,000			185,000
Total Highway Planning and Construction Cluster						<u>1,102,901,257</u>	-	<u>39,294,756</u>	<u>1,142,196,013</u>
Federal Transit Cluster									
Direct Programs:									
Federal Transit - Capital Investment Grants	20.500	Y			N			(46,747)	(46,747)
Bus and Bus Facilities Formula Program	20.526	Y			N			2,777,936	2,777,936
Total Federal Transit Cluster						-	-	<u>2,731,189</u>	<u>2,731,189</u>
Transit Services Programs Cluster									
Direct Programs:									
Enhanced Mobility for Seniors and Individuals with Disabilities	20.513	Y			N			5,322,567	5,322,567
Job Access and Reverse Commute Program	20.516	Y			N			1,064,174	1,064,174
New Freedom Program	20.521	Y			N			2,645,540	2,645,540
Total Transit Services Programs Cluster						-		<u>9,032,282</u>	<u>9,032,282</u>
Direct Programs:									
Airport Improvement Program (Note 1)	20.106	Y			N	20,658,497			20,658,497
Highway Research and Development Program	20.200	Y			Y	153,038		38,305	191,343
High-Speed Rail Corridors and Intercity Passenger Rail Service - Capital Assistance Grants	20.319	Y			N	404		116,935	117,339
Metropolitan Transportation Planning and State and Non-Metropolitan Planning and Research	20.505	Y			N	90,083		503,226	593,309
Formula Grants for Rural Areas	20.509	Y			N	9,499,441		19,507,320	29,006,761
National Priority Safety Programs	20.616	N	State Police		N	46,699			46,699
National Infrastructure Investments	20.933	Y			N	473,779		550,503	1,024,283
Total Direct Programs						<u>30,921,942</u>	-	<u>20,716,289</u>	<u>51,638,232</u>
<b>Total U.S. Department of Transportation</b>						<u>1,133,823,199</u>	-	<u>71,774,515</u>	<u>1,205,597,714</u>
<b>U.S. Department of Health and Human Services</b>									
TANF Cluster									
Temporary Assistance for Needy Families (TANF) State Programs	93.558	N	Health and Human Services	15-99001	N	550,000		-	550,000
Total TANF Cluster						<u>550,000</u>	-	-	<u>550,000</u>
<b>Total U.S. Department of Health and Human Services</b>						<u>550,000</u>	-	-	<u>550,000</u>
Total Expenditures of Federal Awards						<u>1,134,373,199</u>	-	<u>71,774,515</u>	<u>1,206,147,714</u>

\* CFDA is defined as Catalog of Federal Domestic Assistance

MICHIGAN DEPARTMENT OF TRANSPORTATION  
**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
FISCAL YEAR ENDING SEPTEMBER 30, 2020

1. Federal expenditures of \$201,543,693 for the Airport Improvement Program (CFDA 20.106) channeled to primary airports for fiscal year 2020 are not included in the Schedule of Expenditures of Federal Awards (SEFA). Included in this amount are Coronavirus Aid, Relief, and Economic Security (CARES) Act expenditures totaling \$133,952,347. The Federal Aviation Administration (FAA) determined that the Michigan Department of Transportation (MDOT) has no oversight responsibility for grants to primary airports. Also, compliance with federal regulations is the responsibility of the primary airports and not MDOT. Therefore, MDOT is channeling the FAA funds to the primary airports in accordance with Public Act 327 of 1945.

MICHIGAN DEPARTMENT OF TRANSPORTATION  
**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
FISCAL YEAR ENDING SEPTEMBER 30, 2019

1. Federal expenditures to primary airports in the amount of \$ 45,155,311 for fiscal year 2019 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.



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