

2021

ANNUAL FINANCIAL REPORT

Michigan Department of Transportation



Fiscal Year Ended September 30, 2021

MICHIGAN DEPARTMENT OF TRANSPORTATION

ANNUAL FINANCIAL REPORT

Fiscal Years Ended September 30, 2021 & 2020

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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, 2021

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



GRETCHEN WHITMER
GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF TRANSPORTATION
LANSING

PAUL C. AJEGBA
DIRECTOR

April 25, 2022

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

Paul C. Ajegba, Director
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, 2020 and 2021. This report was prepared by the Bureau of Finance and Administration, which is responsible for both the accuracy of the data and the completeness and fairness of the presentation. The data is accurate in all material respects and is presented in a manner designed to fairly set forth the financial position and results of 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 Annual Comprehensive Financial Report.

FINANCIAL UPDATE

Revenues increased due to the full implementation of the state transportation revenue package signed into law November 10, 2015. The nine bills that make up the revenue package provide for revenue increases through fee increases, motor fuel tax increases and income tax redirection. Since the state transportation revenue package began, the overall increase in the Michigan Transportation Fund (MTF) through fiscal year end September 30, 2021 is \$1,324.5 million.

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 2021, MDOT has issued \$1.6 billion in bonds for the Governor's Rebuilding Michigan Program.

In addition, FY 2021 marks the first time MDOT received a distribution from the Michigan Regulation and Taxation of Marihuana Act. The revenue received during FY 2021 related to the Act totals \$49 million.

The following table summarizes the changes, in millions, from FY 2020 to FY 2021 in the various revenue sources:

Revenue source table

REVENUE SOURCE	FY 2021	FY 2020	Change
Michigan Transportation Fund			
Motor Vehicle Registration	\$1,400	\$1,345	\$55
Gasoline, Diesel and Alternative fuel taxes	\$1,354	\$1,318	\$36
Motor Vehicle Title Fees	\$37	\$31	\$6
Income Tax Redirection	\$600	\$468	\$132
Marihuana Tax	\$49	\$0	\$49
State Trunk Line Fund			
Local Agencies	\$34	\$21	\$13
Federal Agencies	\$853	\$967	(\$114)
Licenses and Permits	\$7	\$7	\$0
Comprehensive Transportation Fund			
Public Transportation Services	\$249	\$240	\$9
Federal Agencies	\$75	\$75	\$0
Motor Fuel Taxes	\$93	\$90	\$3
State Aeronautics Fund			
Aviation Fuel Tax	\$9	\$14	(\$5)
Federal Agencies	\$194	\$234	(\$40)

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 2021, MDOT was confronted with increased project costs, stretched budgets, and an aging infrastructure.

The Capital Program provided Michigan travelers with approximately 1,164 lane miles of improved roads and 350 rehabilitated and maintained bridges. Additionally, MDOT managed good and fair roads by extending the life on about 859 lane miles of pavement through the Capital Preventive Maintenance Program. With the FY 2021 Highway Program investment, MDOT continued to positively influence Michigan's economy by supporting 33,420 jobs.

The FY 2021 Highway Program invested \$2.62 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 2021 Highway Program include pavement preservation activities, including road rehabilitation and reconstruction and capital preventive maintenance totaling \$1.376 billion. Bridge preservation activities, including bridge rehabilitation and reconstruction and bridge capital preventive maintenance, totaled \$389 million. Routine maintenance activities total an estimated \$416 million; this includes pothole filling, snow plowing, sweeping, and grass cutting. The rest of the Highway Program included a combined \$434 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 \$193.8 million in Comprehensive Transportation Fund (CTF) monies and allocating \$62.8 million in federal operating, capital, and emergency relief funds for local transit operations. Also allocated was \$36.2 million CTF to match federal capital funds of \$144.8 million. Additionally, the Office of Passenger Transportation (OPT) provided \$2.5 million in 100% state capital funds for transit ferryboat replacement, and \$6.5 million in state funds for service initiatives around the state and the deployment of large, accessible, electric automated buses and infrastructure for public transit at Capital Area Transit Authority (CATA) and large, accessible, electric buses and infrastructure to Huron County Transit. Funding for intercity services was provided at \$1.2 million from the CTF and \$6.7 million in federal operating, capital, and emergency relief funds to maintain intercity bus services in nearly 130 Michigan communities. 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 138 carriers and 1,252 vehicles.

State budget reductions affected CTF programs resulting in a reduction of approximately \$18 million for FY 2021. 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 \$3 million in these lines during FY2021. Through the Freight Economic Development Program, MDOT approved a record number of projects, investing \$9.2 million to provide rail access for new and expanding businesses at fifteen locations across the state. MDOT also provided \$500,000 in legislatively-mandated operating assistance to the Detroit-Wayne County Port Authority for administrative and marketing expenditures.

MDOT provided funding for 24 grade crossing safety enhancement projects on roads under county, city, or village jurisdiction and 17 crossing projects on state trunklines, investing a total of over \$10.5 million in dedicated federal and state crossing safety funds in the interest of motorist safety. An additional 37 projects were approved for funding under the Local Grade Crossing Surface Improvement Program; MDOT's 60% 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 in an effort to enhance mobility and spur economic development along Michigan's passenger rail corridors. MDOT distributed nearly \$15 million in CTF monies to support passenger rail operations along the Wolverine, Pere Marquette and Blue Water routes. This effort was assisted in FY2021 by the existence of federal pandemic relief dollars awarded to Amtrak that served as credits to the states. 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 \$28.7 million supported efforts to maintain a state of good repair and, together with federal grant dollars, set the stage for higher-speed service and reduce passenger travel times. Passenger trains began operating at speeds of up to 110 mph between Kalamazoo and Albion in late May. Capital projects during FY2021 included installing new rail, ties, and ballast; replacing diamonds where two rail lines crossed; and bridge work.

MDOT oversaw the Coronavirus Response and Relief Supplemental Appropriation Act (CRRSAA) and American Rescue Plan Act (ARPA) Grants provided to 92 Michigan airports affected by the prevention of, preparation for, and response to the COVID-19 pandemic for a total of \$1,752,283,228 in economic relief. Grants under the CRRSAA and ARPA provided eligible airports with resources needed to maintain operations during times of reduced aviation activity as a result of the pandemic. With the entirety of eligible costs being reimbursed by the Federal Aviation Administration at a rate of 100%, these grants required no state or local match. In addition, the ARPA also provided the local and state match for 2021 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 \$144,061,694 in 2021 AIP Grant funding; \$114,580,995 for 14 of Michigan's primary airports and \$29,480,699 for 76 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 90 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 Patrick McCarthy
Apr 25 2022 7:06 AM

Patrick McCarthy, CPA
Director
Bureau of Finance and Administration

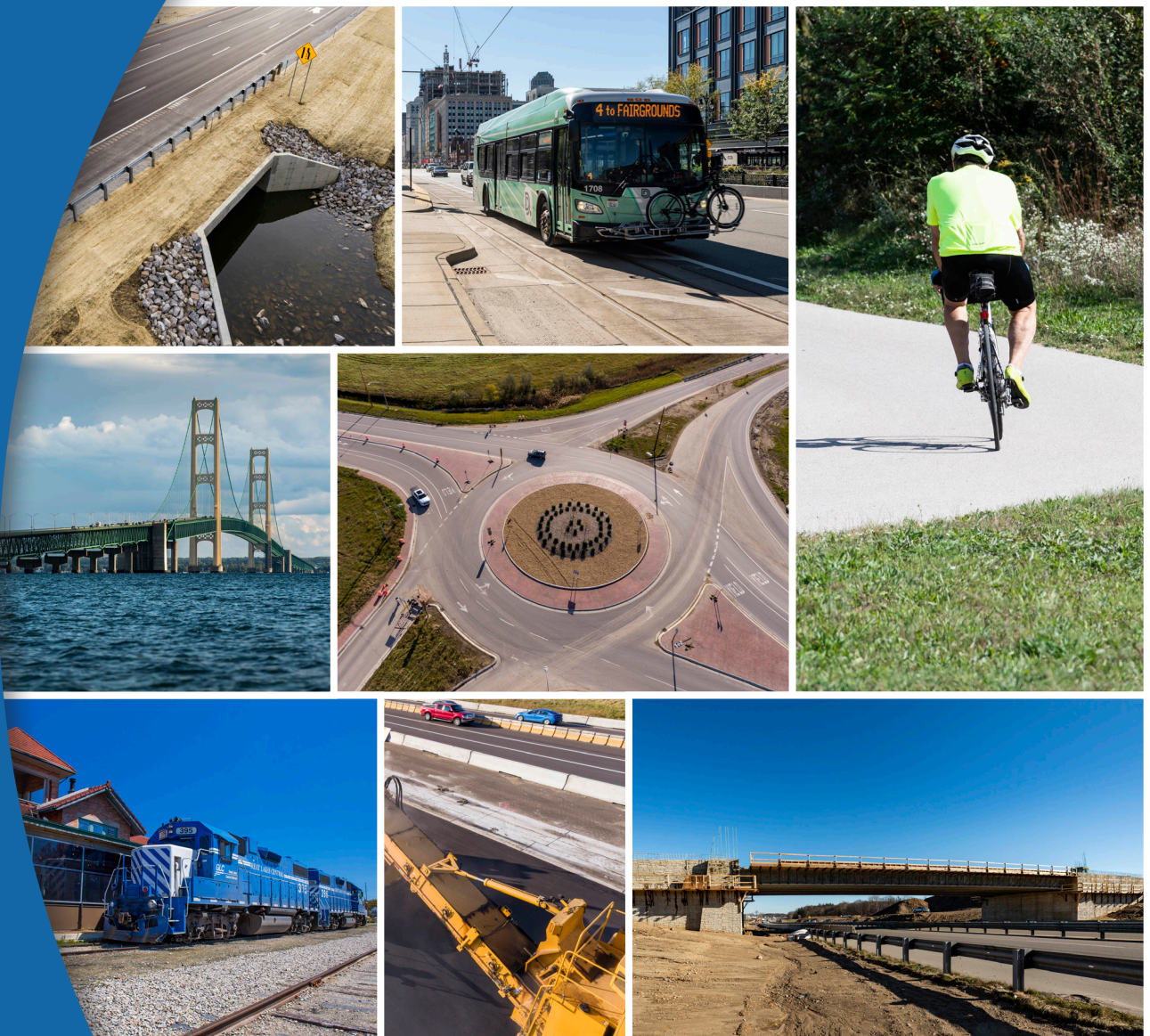


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2021

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, 2021 and 2020
 (In Thousands)

GOVERNMENTAL FUND TYPES					
	SPECIAL REVENUE		DEBT SERVICE		
	2021	2020	2021	2020	
ASSETS					
Current Assets:					
Cash and cash equivalents	\$ 3,287	\$ 3,815	\$ -	\$ -	
Equity in Common Cash	394,150	249,861	38	30	
Receivables:					
Taxes, interest, and penalties (at net)	127,801	132,251	-	-	
Other funds	48,543	69,145	-	-	
Component Units	-	-	-	-	
Federal aid	40,397	29,021	-	-	
Local units	615	610	-	-	
Inventories	-	-	-	-	
Other Current Assets	7,986	23,873	-	-	
Total Current Assets	622,779	508,576	38	30	
Noncurrent Assets:					
Receivables:					
Taxes	3,772	3,314	-	-	
Federal aid	-	-	-	-	
Local units	-	-	-	-	
Advances to other funds	-	-	-	-	
Land contracts	-	-	-	-	
Miscellaneous	-	-	-	-	
Total Noncurrent Assets	3,772	3,314	-	-	
Total Assets	\$ 626,551	\$ 511,890	\$ 38	\$ 30	
LIABILITIES AND FUND BALANCES					
Current Liabilities:					
Warrants outstanding	\$ -	\$ -	\$ -	\$ -	
Accounts payable	328,512	254,297	8	-	
Contract reserve payable	-	-	-	-	
Due to other funds and Components	34,239	21,126	-	-	
Amounts held for others	-	-	-	-	
Unearned revenue	2	72	-	-	
Total Current Liabilities	362,752	275,494	8	-	
Long-Term Liabilities:					
Unearned revenue	3	2	-	-	
Total Long-Term Liabilities	3	2	-	-	
Total Liabilities	362,755	275,497	8	-	
DEFERRED INFLOWS OF RESOURCES	21,959	12,904	-	-	
Fund Balance:					
Nonspendable	-	-	-	-	
Restricted	241,837	223,489	30	30	
Committed	-	-	-	-	
Assigned	-	-	-	-	
Total Fund Balances	241,837	223,489	30	30	
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 626,551	\$ 511,890	\$ 38	\$ 30	

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

CAPITAL PROJECTS				TOTALS			
2021		2020		2021		2020	
\$	24	\$	31	\$	3,312	\$	3,846
	2,917,635		2,005,240		3,311,823		2,255,132
	513		251		128,314		132,502
	30,930		16,345		79,474		85,490
	935		1,489		935		1,489
	210,940		327,641		251,337		356,662
	104,561		121,329		105,176		121,939
	19,906		15,453		19,906		15,453
	8,017		13,212		16,004		37,085
	<u>3,293,462</u>		<u>2,500,992</u>		<u>3,916,280</u>		<u>3,009,598</u>
	0		3		3,773		3,317
	-		-		-		-
	50,437		55,611		50,437		55,611
	-		-		-		-
	-		-		-		-
	<u>50,437</u>		<u>55,613</u>		<u>54,210</u>		<u>58,927</u>
\$	<u>3,343,900</u>	\$	<u>2,556,606</u>	\$	<u>3,970,489</u>	\$	<u>3,068,525</u>
\$	-	\$	-	\$	-	\$	-
	400,776		389,436		729,296		643,733
	-		-		-		-
	47,777		70,282		82,016		91,408
	-		-		-		-
	4,697		5,663		4,699		5,734
	<u>453,251</u>		<u>465,381</u>		<u>816,011</u>		<u>740,876</u>
	14		84		16		86
	<u>14</u>		<u>84</u>		<u>16</u>		<u>86</u>
	453,265		465,465		816,028		740,962
	<u>0</u>		<u>6</u>		<u>21,960</u>		<u>12,910</u>
	19,906		15,454		19,906		15,454
	2,870,729		2,075,681		3,112,596		2,299,200
	-		-		-		-
	<u>-</u>		<u>-</u>		<u>-</u>		<u>-</u>
	2,890,635		2,091,134		3,132,502		2,314,653
\$	<u>3,343,900</u>	\$	<u>2,556,606</u>	\$	<u>3,970,489</u>	\$	<u>3,068,525</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, 2021 and 2020
(In Thousands)

GOVERNMENTAL FUND TYPES				
	SPECIAL REVENUE		DEBT SERVICE	
	2021	2020	2021	2020
REVENUES				
Taxes	\$ 3,446,698	\$ 3,221,531	\$ -	\$ -
Federal aid	74,678	75,257	-	-
Local participation	-	-	-	-
Services	4,787	4,526	-	-
License and permits	37,568	31,154	-	-
Interest earnings	532	4,837	-	-
Non-operating revenue-bridges	-	-	-	-
Miscellaneous	9,875	12,132	3	2
Total Revenues	3,574,137	3,349,437	3	2
EXPENDITURES				
Administration and Operations:				
Administration and maintenance	25,041	31,511	-	-
Bus operating assistance grants	222,502	226,867	-	-
Other grants	1,946,158	1,776,108	-	-
Airport development	-	-	-	-
Non-operating expenditures-bridges	-	-	-	-
Trust fund construction activity	-	-	-	-
Capital lease payments	-	-	-	-
Costs of issuance	-	-	190	545
Bond principal retirement	-	-	143,160	161,665
Bond interest and fiscal charges	-	-	70,384	52,232
Total Administration and Operations	2,193,701	2,034,486	213,735	214,443
Capital Outlay:				
Roads and bridges	-	-	-	-
Other capital outlay	-	-	-	-
Total Capital Outlay	-	-	-	-
Total Expenditures	2,193,701	2,034,486	213,735	214,443
Excess of Revenues Over (Under) Expenditures	1,380,436	1,314,951	(213,732)	(214,440)
OTHER FINANCING SOURCES				
Capital Lease Acquisitions	-	-	-	-
Proceeds from sale of capital assets	29	16	-	-
Proceeds from bond issues other than refunding	-	-	23	-
Michigan Transportation Fund distribution	249,115	240,424	-	-
Grants and transfers from other funds	50,502	1,425	212,605	213,897
Proceeds from bonds and notes issued	-	-	54,150	103,485
Premium on bonds issued	-	-	15,913	7,675
Total Other Financing Sources	299,645	241,865	282,690	325,057
OTHER FINANCING USES				
Michigan Transportation Fund distribution	1,412,185	1,300,079	-	-
Grants and transfers to other funds	238,644	235,126	-	-
Discount on bonds issued	-	-	-	-
Debt service	10,904	10,896	-	-
Payment to refunded bond escrow agent	-	-	68,958	110,587
Total Other Financing Uses	1,661,733	1,546,101	68,958	110,587
Excess of Other Financing Sources Over (Under) Other Financing Uses	(1,362,088)	(1,304,237)	213,732	214,470
Excess of Revenue and Other Sources Over (Under) Expenditures and Other Uses	18,348	10,714	-	30
Fund balances-Beginning of fiscal year	Note 1 223,489	212,775	30	-
Fund balances-End of fiscal year	\$ 241,837	\$ 223,489	\$ 30	\$ 30

Note 1 The beginning fund balance for the Capital Projects fund was restated in FY21 as it was determined that a receivable established in prior years would not be collected against as the associated variance is used to pay the outstanding debt service.

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

				TOTALS	
				(Memorandum Only)	
CAPITAL PROJECTS					
2021		2020		2021	2020
\$	9,083	\$	13,933	\$	3,455,780
	1,422,388		1,626,774		3,235,464
	34,078		20,862		1,702,031
	3,657		3,442		20,862
	7,821		7,320		8,445
	2,298		8,344		45,388
	3,297		4,127		2,829
	58,303		88,798		3,297
					100,932
	1,540,924		1,773,598		5,115,064
					5,123,037
	696,701		644,418		721,742
	-		-		222,502
	193,499		283,256		2,139,656
	137,758		105,459		137,758
	3,147		3,919		3,147
	327,052		346,062		327,052
	1,589		21,656		1,589
	-		-		190
	-		-		143,160
	-		-		70,384
	1,359,746		1,404,769		3,767,181
					3,653,698
	1,685,519		1,601,180		1,685,519
	4,589		5,149		4,589
					1,601,180
	1,690,108		1,606,329		5,149
					1,690,108
	3,049,854		3,011,099		1,606,329
					5,457,290
	(1,508,930)		(1,237,500)		5,260,027
					(342,226)
					(136,990)
	204,803		205,902		204,803
	846		206		205,902
	-		-		874
	1,163,070		1,059,655		23
	256,037		278,981		1,412,185
	799,977		800,000		519,144
	208,645		217,306		854,127
					224,558
	2,633,379		2,562,050		3,215,715
					3,128,972
	-		-		1,412,185
	60,804		91,847		1,300,079
	-		-		299,449
	201,701		203,001		-
	-		-		212,605
					68,958
	262,505		294,848		213,897
					110,587
					1,951,536
	2,370,874		2,267,202		1,222,518
					1,177,435
	861,944		1,029,701		880,292
	2,028,691		1,061,433		2,252,210
\$	2,890,635	\$	2,091,134	\$	3,132,502
				\$	2,314,653



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MICHIGAN DEPARTMENT OF TRANSPORTATION
NOTES TO FINANCIAL STATEMENTS
FISCAL YEAR ENDED SEPTEMBER 30, 2021

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, 2021

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, 2020 and fiscal year ending December 31, 2019 follows (In Thousands):

	<u>December 31, 2020</u>	<u>December 31, 2019</u>
Assets	\$5,569	\$7,328
Liabilities	2,818	2,936
Total Fund Balance	2,751	4,392
Total Revenues and Other Sources	3,712	8,023
Total Expenditures and Other Uses	5,905	6,320
Excess of Revenues and Other Sources		
Over (Under) Expenditures and Other Uses	(2,192)	1,703

MICHIGAN DEPARTMENT OF TRANSPORTATION
NOTES TO FINANCIAL STATEMENTS
FISCAL YEAR ENDED SEPTEMBER 30, 2021

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, 2021

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>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Equity in Common Cash	\$394,150	\$249,861	\$ 38	\$ 30	\$2,917,635	\$2,005,240

The balances for the special revenue funds averaged approximately \$432.8 million and \$412.6 million and the balances for the capital projects funds averaged approximately \$1831.1 million and \$749.1 million during fiscal years 2021 and 2020, respectively.

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

MICHIGAN DEPARTMENT OF TRANSPORTATION
NOTES TO FINANCIAL STATEMENTS
FISCAL YEAR ENDED SEPTEMBER 30, 2021

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, 2021 and 2020 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>2021</u>	<u>2020</u>
State Trunkline Fund	\$ 1,147	\$ 790
Comprehensive Transportation Fund	-	1
Total Allowance for Doubtful Accounts	<u>\$ 1,147</u>	<u>\$ 791</u>

B. Taxes Receivable

In the Michigan Transportation Fund, the gross amount of current taxes receivable, \$146.0 million and \$189.5 million, less allowances for uncollectible receivables, \$31.1 million and \$58.2 million result in net taxes receivable of \$114.8 million and \$131.3 million, being recorded for motor fuel taxes due to the fund as of September 30, 2021 and 2020, respectively.

In the State Aeronautics Fund, the gross amount of current taxes receivable, \$4.9 million and \$3.4 million, less allowances for uncollectible receivables, \$4.4 million and \$3.2 million result in net taxes receivable of \$0.5 million and \$0.3 million, being recorded for aviation fuel taxes due to the fund as of September 30, 2021 and 2020, 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 \$152.2 million and \$186.1 million for the fiscal years ending September 30, 2021 and 2020, respectively. No noncurrent federal aid receivables were recorded for the fiscal years ending September 30, 2021 and 2020.

MICHIGAN DEPARTMENT OF TRANSPORTATION
NOTES TO FINANCIAL STATEMENTS
FISCAL YEAR ENDED SEPTEMBER 30, 2021

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 2021 changes in reported costs for MDOT’s capital assets (In Millions):

Changes in Capital Assets Fiscal Year 2021				
	Beginning Balance	Additions	Deletions	Ending Balance
<u>Capital assets, not depreciated:</u>				
Roads	\$12,061.6	\$274.8	(\$621.4)	\$11,715.1
Land	3,154.3	7.6	-	3,162.0
Bridges	2,925.6	213.6	(67.9)	3,071.3
Construction in Progress	2,274.7	1,102.7	(581.8)	2,795.6
Computer Software Projects in Progress	2.4	-	(2.4)	-
Land Rights	0.6	-	-	0.6
<u>Capital assets, depreciated:</u>				
Equipment	175.7	6.5	(4.9)	177.3
Buildings	174.1	4.9	-	179.0
Blue Water Bridge Infrastructure	35.6	0.2	-	35.8
Railroads	173.7	-	-	173.7
Rest Areas & Welcome Centers	120.9	0.2	(1.1)	120.1
Land Improvements	55.9	-	(4.6)	51.3
Airports	1.8	-	-	1.8
Computer Software Project	6.8	3.7	-	10.5
Locomotives	71.7	12.2	-	83.9
Rail Coach Cars	-	6.5	-	6.5
<u>Less accumulated depreciation for:</u>				
Equipment	(104.5)	(7.6)	3.9	(108.2)
Buildings	(95.1)	(5.0)	0.9	(99.2)
Blue Water Bridge Infrastructure	(15.6)	(1.2)	-	(16.7)
Railroad	(58.7)	(4.1)	-	(62.8)
Rest Area & Welcome Center	(54.6)	(2.7)	1.1	(56.2)
Land Improvements	(16.4)	(2.2)	-	(18.6)
Airports	(1.1)	(0.1)	-	(1.1)
Computer Software Project	(1.1)	(1.1)	-	(2.3)
Locomotives	(11.1)	(4.4)	-	(15.5)
Rail Coach Cars	-	-	-	-
Total Capital Assets	<u>\$20,877.2</u>	<u>\$1,604.6</u>	<u>(\$1,278.1)</u>	<u>\$21,203.7</u>

MICHIGAN DEPARTMENT OF TRANSPORTATION
NOTES TO FINANCIAL STATEMENTS
FISCAL YEAR ENDED SEPTEMBER 30, 2021

- B. Funding Source: Following is a summary of funding sources for investments in capital assets as of September 30, 2021 (In Millions):

<u>Fund</u>	<u>Investment</u>
State Trunkline Fund	\$ 20,990.2
Comprehensive Transportation Fund	195.6
State Aeronautics Fund	<u>17.9</u>
Total Investment in Capital Assets	<u>\$ 21,203.7</u>

MICHIGAN DEPARTMENT OF TRANSPORTATION
NOTES TO FINANCIAL STATEMENTS
FISCAL YEAR ENDED SEPTEMBER 30, 2021

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	Outstanding		Maturities		Average
	Issued	9/30/21	9/30/20	First Year	Last Year	Interest Rate % ⁽¹⁾
<u>Comprehensive Transportation Fund Bonds</u>						
Series 2005 (Refunding)	\$ 62,180	\$ 9,915	\$ 18,390	2009	2023	5.25
Series 2011 (Refunding)	18,470	2,350	4,585	2013	2022	4.50
Series 2013 (Refunding)	10,130	1,540	1,540	2014	2023	4.70
Series 2015 (Refunding)	29,380	23,805	25,025	2017	2031	4.89
Total Comprehensive Transportation Fund Bonds	\$ 120,160	\$ 37,610	\$ 49,540			
<u>State Trunkline Fund Bonds</u>						
Series 2004 (Refunding)	103,450	12,235	23,845	2006	2022	5.02
Series 2005 (Refunding)	223,020	24,555	47,790	2010	2022	5.24
Series 2011	90,980	3,000	74,050	2014	2022	4.72
Series 2012 (Refunding)	49,305	7,415	14,470	2014	2022	4.80
Series 2014 (Refunding)	265,085	21,205	41,405	2016	2022	4.49
Series 2015 (Refunding)	54,055	54,055	54,055	2023	2023	4.84
Series 2020A (Refunding)	103,485	70,995	103,485	2021	2027	5.00
Series 2020B	800,000	795,000	800,000	2021	2046	4.55
Series 2021A	800,000	800,000	-	2023	2047	4.35
Series 2021B (Refunding)	54,150	54,150	-	2023	2037	4.91
Total State Trunkline Fund Bonds	\$ 2,543,530	\$ 1,842,610	\$ 1,159,100			
<u>Grant Anticipation Bonds</u>						
Series 2016 (Refunding)	607,110	513,525	542,310	2018	2027	4.97
Total Grant Anticipation Bonds	\$ 607,110	\$ 513,525	\$ 542,310			
Total Revenue Dedicated Bonded Debt	\$ 3,270,800	\$ 2,393,745	\$ 1,750,950			

⁽¹⁾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, 2021

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.

The following table summarizes the defeased bonds outstanding at September 30, 2021 or 2020:

Summary of Refunding Transactions (In Millions)			
<u>Bond Series</u>	<u>Amount Refunded</u>	<u>Principal Amounts Outstanding</u>	
		<u>2021</u>	<u>2020</u>
<u>State Trunkline Fund Bonds</u> Series 2011	\$ 68.2	\$ 68.2	\$ -

MICHIGAN DEPARTMENT OF TRANSPORTATION
NOTES TO FINANCIAL STATEMENTS
FISCAL YEAR ENDED SEPTEMBER 30, 2021

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		
SEPTEMBER 30	PRINCIPAL	INTEREST	TOTAL	PRINCIPAL	INTEREST	TOTAL	PRINCIPAL	INTEREST	TOTAL	PRINCIPAL	INTEREST	TOTAL
2022	\$108,020	\$70,272	\$178,292	\$12,555	\$1,783	\$14,338	\$30,290	\$24,919	\$55,209	\$150,865	\$96,975	\$247,840
2023	82,055	75,796	157,851	2,540	1,201	3,741	40,560	23,148	63,708	125,155	100,145	225,300
2024	28,675	73,072	101,747	2,555	1,062	3,617	95,020	19,758	114,778	126,250	93,892	220,142
2025	29,370	71,621	100,991	2,685	931	3,616	101,505	14,845	116,350	133,560	87,397	220,957
2026	19,445	70,401	89,846	2,825	793	3,618	119,095	9,330	128,425	141,365	80,524	221,889
2027	4,670	69,798	74,468	2,970	648	3,618	127,055	3,176	130,231	134,695	73,622	208,317
2028	58,735	68,213	126,948	3,120	496	3,616	-	-	-	61,855	68,709	130,564
2029	56,085	65,342	121,427	3,280	336	3,616	-	-	-	59,365	65,678	125,043
2030	53,805	62,595	116,400	3,450	168	3,618	-	-	-	57,255	62,763	120,018
2031	56,320	59,842	116,162	1,630	41	1,671	-	-	-	57,950	59,882	117,832
2032	69,205	56,704	125,909	-	-	-	-	-	-	69,205	56,704	125,909
2033	72,335	53,165	125,500	-	-	-	-	-	-	72,335	53,165	125,500
2034	73,435	49,521	122,956	-	-	-	-	-	-	73,435	49,521	122,956
2035	76,790	45,765	122,555	-	-	-	-	-	-	76,790	45,765	122,555
2036	80,320	41,837	122,157	-	-	-	-	-	-	80,320	41,837	122,157
2037	86,000	37,897	123,897	-	-	-	-	-	-	86,000	37,897	123,897
2038	89,765	34,170	123,935	-	-	-	-	-	-	89,765	34,170	123,935
2039	90,975	30,555	121,530	-	-	-	-	-	-	90,975	30,555	121,530
2040	94,770	26,841	121,611	-	-	-	-	-	-	94,770	26,841	121,611
2041	91,135	23,122	114,257	-	-	-	-	-	-	91,135	23,122	114,257
2042	95,405	19,349	114,754	-	-	-	-	-	-	95,405	19,349	114,754
2043	75,220	15,849	91,069	-	-	-	-	-	-	75,220	15,849	91,069
2044	78,380	12,685	91,065	-	-	-	-	-	-	78,380	12,685	91,065
2045	81,680	9,387	91,067	-	-	-	-	-	-	81,680	9,387	91,067
2046	115,015	5,352	120,367	-	-	-	-	-	-	115,015	5,352	120,367
2047	75,000	1,500	76,500	-	-	-	-	-	-	75,000	1,500	76,500
TOTAL	\$1,842,610	\$1,150,652	\$2,993,262	\$37,610	\$7,459	\$45,069	\$513,525	\$95,177	\$608,702	\$2,393,745	\$1,253,288	\$3,647,033

MICHIGAN DEPARTMENT OF TRANSPORTATION
NOTES TO FINANCIAL STATEMENTS
FISCAL YEAR ENDED SEPTEMBER 30, 2021

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
FISCAL YEAR ENDED SEPTEMBER 30, 2021

E. Changes in General Long-term Obligations:

Changes in general long-term obligations (In Thousands) for the fiscal years ended September 30, 2021 and 2020 are summarized as follows:

	Revenue Dedicated Debt - Oversight Entity		Capital Lease Obligations	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Balance – Beginning	\$ 1,750,950	\$ 1,119,525	\$ 2,123	\$ 1,398
New bond issues/capital lease additions and adjustments	854,150	903,485		1,099
Accretion on Capital Appreciation Bonds	-	-	-	-
Bond principal retirements/ capital lease payments and Adjustments	<u>(211,355)</u>	<u>(272,060)</u>	<u>(412)</u>	<u>(374)</u>
Balance – Ending	<u>\$ 2,393,745</u>	<u>\$ 1,750,950</u>	<u>\$ 1,711</u>	<u>\$ 2,123</u>

MICHIGAN DEPARTMENT OF TRANSPORTATION
NOTES TO FINANCIAL STATEMENTS
FISCAL YEAR ENDED SEPTEMBER 30, 2021

Changes in General Long-term Obligations (continued):

	Claims and Judgments		Compensated Absences Liabilities	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Balance - Beginning	\$ 4,000	\$ 74	\$ 29,323	\$ 26,971
Net increase (decrease) in estimated liabilities	<u>(3,663)</u>	<u>3,926</u>	<u>807</u>	<u>2,352</u>
Balance - Ending	\$ <u><u>337</u></u>	\$ <u><u>4,000</u></u>	\$ <u><u>30,130</u></u>	\$ <u><u>29,323</u></u>

	Public-Private Partnerships	
	<u>2021</u>	<u>2020</u>
Balance - Beginning	\$ 242,300	\$ 48,900
Net increase (decrease) in Liabilities	<u>230,000</u>	<u>193,400</u>
Balance - Ending	\$ <u><u>472,300</u></u>	\$ <u><u>242,300</u></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 \$325,888 and \$337,777 during fiscal years 2021 and 2020, respectively.

Summary of the noncancelable operating and capital leasing commitments to maturity for fiscal year 2021 follows (In Thousands):

Noncancelable Lease Commitments As of September 30, 2021					
Fiscal Year Ended September 30	Operating Leases	Capital Leases			Total
		Principal	Interest	Executory	
2022	\$ 326	\$ 441	\$ 153	\$ 256	\$ 850
2023	225	367	117	208	692
2024	125	282	102	165	549
2025	103	273	85	153	512
2026	59	177	65	104	346
<u>2027-2031</u>	<u>-</u>	<u>172</u>	<u>54</u>	<u>97</u>	<u>322</u>
Total	<u>\$ 838</u>	<u>\$ 1,711</u>	<u>\$ 576</u>	<u>\$ 982</u>	<u>\$ 3,270</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, 2021 and 2020 follows (In Thousands):

	<u>2021</u>	<u>2020</u>
Buildings	\$2,418	\$3,279

MICHIGAN DEPARTMENT OF TRANSPORTATION
NOTES TO FINANCIAL STATEMENTS
FISCAL YEAR ENDED SEPTEMBER 30, 2021

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>2021</u>	<u>2020</u>
State Trunkline Fund	\$91,053	\$83,116
Comprehensive Transportation Fund	2,239	2,134
State Aeronautics Fund	1,454	1,405
Blue Water Bridge	<u>1,057</u>	<u>1,034</u>
Total Department of Transportation Contributions	<u>\$95,803</u>	<u>\$87,689</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
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The following table summarizes Department of Transportation related compensated absences liabilities as of September 30, 2021 and 2020 (In Thousands):

	<u>Sick Leave</u>		<u>Annual Leave</u>		<u>Banked Leave</u>		<u>Total</u>	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
State Trunkline Fund	\$1,062	\$1,025	\$24,697	\$23,773	\$2,648	\$2,756	\$28,406	\$27,555
Comprehensive Transportation Fund	104	155	732	625	92	89	928	869
State Aeronautics Fund	138	218	458	446	46	56	642	720
Blue Water Bridge	<u>-</u>	<u>2</u>	<u>149</u>	<u>167</u>	<u>5</u>	<u>10</u>	<u>154</u>	<u>179</u>
TOTAL	<u>\$1,304</u>	<u>\$1,400</u>	<u>\$26,036</u>	<u>\$25,011</u>	<u>\$2,791</u>	<u>\$2,912</u>	<u>\$30,130</u>	<u>\$29,323</u>

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, 2021

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 2021 and 2020 (In Thousands).

<u>Interfund Transactions</u>	<u>2021</u>	<u>2020</u>
MTF Distribution – STF	\$1,163,098	\$1,059,679
MTF Distribution – CTF	249,115	240,424
Other State agencies	47,520	46,438
Debt Service	50,000	50,000
Economic Development Program	40,275	40,275
Local Road Program	33,000	33,000
Local Bridge Fund	28,658	28,067
Transportation Planning	10,662	11,178
Design and Engineering Services	15,619	13,014
Rail Grade Crossing Program	3,000	3,000
Rail Grade Crossing – Surface Improvements	3,000	3,000
Freight and Safety Services	1,237	1,425
Finance, Contracts and Support Services	1,664	1,620
Enhancement Program	854	836
Moveable Bridge Program	5,444	5,337
Local Agency Wetlands Mitigation Fund	2,000	2,000
	<u>\$1,655,146</u>	<u>\$1,539,294</u>

MICHIGAN DEPARTMENT OF TRANSPORTATION
NOTES TO FINANCIAL STATEMENTS
FISCAL YEAR ENDED SEPTEMBER 30, 2021

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 \$17,306,172 between fiscal years 1993 and 2021 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 \$45,693,828 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, 2021, a current receivable of \$934,741 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, 2021

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, 2021 and 2020, 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, 2021 and 2020, the balances remaining on these contracts equaled \$2,299.3 million and \$824.2 million, respectively. Portions of these balances, \$152.9 million as of September 30, 2021, and \$103.4 million as of September 30, 2020, 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 \$45.6 million as of September 30, 2021.

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 \$506.9 million as of September 30, 2021.

MICHIGAN DEPARTMENT OF TRANSPORTATION
NOTES TO FINANCIAL STATEMENTS
FISCAL YEAR ENDED SEPTEMBER 30, 2021

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 2021, MDOT had \$595.8 million of State Trunkline expenditures on projects related to routine advanced construction and no project expenditures related to State Trunkline future debt service advanced construction. 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.

MICHIGAN DEPARTMENT OF TRANSPORTATION
NOTES TO FINANCIAL STATEMENTS
FISCAL YEAR ENDED SEPTEMBER 30, 2021

Note 11: Subsequent Events

There are no known subsequent events to report for fiscal year 2021.



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FUND DESCRIPTIONS

**COMBINING FINANCIAL STATEMENTS
AND
SCHEDULES**

MICHIGAN DEPARTMENT OF TRANSPORTATION
DESCRIPTIONS OF SPECIAL REVENUE FUNDS
FISCAL YEAR ENDED SEPTEMBER 30, 2021

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, 2021 and 2020
 (In Thousands)

	MICHIGAN TRANSPORTATION FUND		COMPREHENSIVE TRANSPORTATION FUND		TOTALS	
	2021	2020	2021	2020	2021	2020
ASSETS						
Current Assets:						
Cash and cash equivalents	\$ 3,287	\$ 3,815	\$ -	\$ -	\$ 3,287	\$ 3,815
Equity in Common Cash	131,546	54,938	262,604	194,924	394,150	249,861
Receivables:						
Taxes, interest, and penalties (at net)	127,801	132,251	-	-	127,801	132,251
Other funds	-	-	48,543	69,145	48,543	69,145
Component Units	-	-	-	-	-	-
Federal aid	-	-	40,397	29,021	40,397	29,021
Local units	-	-	615	610	615	610
Inventories	-	-	-	-	-	-
Other Current Assets	5,201	8,634	2,786	15,239	7,986	23,873
	<u>267,835</u>	<u>199,637</u>	<u>354,944</u>	<u>308,938</u>	<u>622,779</u>	<u>508,576</u>
Total Current Assets						
Noncurrent Assets:						
Receivables:						
Taxes	3,772	3,314	-	-	3,772	3,314
Federal aid	-	-	-	-	-	-
Local units	-	-	-	-	-	-
Advances to other funds	-	-	-	-	-	-
Land contracts	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-
	<u>3,772</u>	<u>3,314</u>	<u>-</u>	<u>-</u>	<u>3,772</u>	<u>3,314</u>
Total Noncurrent Assets						
Total Assets	\$ <u>271,607</u>	\$ <u>202,951</u>	\$ <u>354,944</u>	\$ <u>308,938</u>	\$ <u>626,551</u>	\$ <u>511,890</u>
LIABILITIES AND FUND BALANCES						
Current Liabilities:						
Warrants outstanding	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts Payable and Other Liabilities	215,472	169,057	113,040	85,240	328,512	254,297
Contract reserve payable	-	-	-	-	-	-
Amounts due to other funds	34,176	20,990	63	136	34,239	21,126
Amounts held for others	-	-	-	-	-	-
Unearned revenue	-	-	2	72	2	72
	<u>249,648</u>	<u>190,047</u>	<u>113,105</u>	<u>85,447</u>	<u>362,752</u>	<u>275,494</u>
Total Current Liabilities						
Long-Term Liabilities:						
Unearned revenue	-	-	3	2	3	2
Total Long-Term Liabilities	<u>-</u>	<u>-</u>	<u>3</u>	<u>2</u>	<u>3</u>	<u>2</u>
Total Liabilities	<u>249,648</u>	<u>190,047</u>	<u>113,107</u>	<u>85,450</u>	<u>362,755</u>	<u>275,497</u>
DEFERRED INFLOWS OF RESOURCES	<u>21,959</u>	<u>12,904</u>	<u>-</u>	<u>-</u>	<u>21,959</u>	<u>12,904</u>
Fund Balances:						
Nonspendable	-	-	-	-	-	-
Restricted	-	-	241,837	223,489	241,837	223,489
Committed	-	-	-	-	-	-
Assigned	-	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>241,837</u>	<u>223,489</u>	<u>241,837</u>	<u>223,489</u>
Total Fund Balances						
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ <u>271,607</u>	\$ <u>202,951</u>	\$ <u>354,944</u>	\$ <u>308,938</u>	\$ <u>626,551</u>	\$ <u>511,890</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, 2021 and 2020
(In Thousands)

	MICHIGAN TRANSPORTATION FUND		COMPREHENSIVE TRANSPORTATION FUND		TOTALS	
	2021	2020	2021	2020	2021	2020
REVENUES						
Taxes	\$ 3,354,149	\$ 3,131,465	\$ 92,549	\$ 90,066	\$ 3,446,698	\$ 3,221,531
Federal aid	-	-	74,678	75,257	74,678	75,257
Local participation	-	-	-	-	-	-
Services	4,787	4,526	-	-	4,787	4,526
License and permits	37,399	30,900	169	254	37,568	31,154
Interest earnings on common cash	254	2,640	277	2,197	532	4,837
Non-operating revenue-bridges	-	-	-	-	-	-
Miscellaneous	250	280	9,625	11,852	9,875	12,132
Total Revenues	3,396,840	3,169,811	177,298	179,625	3,574,137	3,349,437
EXPENDITURES						
Administration and Operations:						
Administration and maintenance	4,866	4,455	20,174	27,056	25,041	31,511
Bus operating assistance grants	-	-	222,502	226,867	222,502	226,867
Other grants	1,790,958	1,630,517	155,199	145,591	1,946,158	1,776,108
Airport development	-	-	-	-	-	-
Non-operating expenditures-bridges	-	-	-	-	-	-
Trust fund construction activity	-	-	-	-	-	-
Capital lease payments	-	-	-	-	-	-
Total Administration and Operations	1,795,825	1,634,972	397,876	399,514	2,193,701	2,034,486
Capital Outlay:						
Roads and bridges	-	-	-	-	-	-
Other capital outlay	-	-	-	-	-	-
Total Capital Outlay	-	-	-	-	-	-
Total Expenditures	1,795,825	1,634,972	397,876	399,514	2,193,701	2,034,486
Excess of Revenues Over (Under) Expenditures	1,601,015	1,534,839	(220,578)	(219,889)	1,380,436	1,314,951
OTHER FINANCING SOURCES						
Capital Lease Acquisitions	-	-	-	-	-	-
Proceeds from sale of capital assets	-	-	29	16	29	16
Michigan transportation fund distribution	-	-	249,115	240,424	249,115	240,424
Grants and transfers from other funds	49,265	-	1,237	1,425	50,502	1,425
Proceeds from bonds and notes issued	-	-	-	-	-	-
Premium on bonds issued	-	-	-	-	-	-
Total Other Financing Sources	49,265	-	250,380	241,865	299,645	241,865
OTHER FINANCING USES						
Michigan transportation fund distribution	1,412,185	1,300,079	-	-	1,412,185	1,300,079
Grants and transfers to other funds	238,095	234,760	550	366	238,644	235,126
Discount on bonds issued	-	-	-	-	-	-
Debt service	-	-	10,904	10,896	10,904	10,896
Total Other Financing Uses	1,650,280	1,534,839	11,453	11,262	1,661,733	1,546,101
Excess of Other Financing Sources Over (Under) Other Financing Uses	(1,601,015)	(1,534,839)	238,927	230,602	(1,362,088)	(1,304,237)
Excess of Revenue and Other Sources Over (Under) Expenditures and Other Uses	-	-	18,348	10,714	18,348	10,714
Fund balances-Beginning of fiscal year	-	-	223,489	212,775	223,489	212,775
Fund balances-End of fiscal year	\$ -	\$ -	\$ 241,837	\$ 223,489	\$ 241,837	\$ 223,489

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, 2021
(In Thousands)

(Statutory/Budgetary Basis)	MICHIGAN TRANSPORTATION FUND		
	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
REVENUES			
Taxes	\$ 3,354,149	\$ 3,354,149	\$ -
Federal aid	-	-	-
Local participation	-	-	-
Services	4,787	4,787	-
License and permits	37,399	37,399	-
Interest earnings	254	254	-
Non-operating revenue-bridges	-	-	-
Miscellaneous and Service revenue	250	250	-
Total Revenues	3,396,840	3,396,840	-
EXPENDITURES AND ENCUMBRANCES			
Administration	4,877	4,839	38
Bus operating assistance grants	-	-	-
Other grants	1,790,958	1,790,958	-
Airport development	-	-	-
Nonoperating expenditure-bridges	-	-	-
Total Administration and Operations	1,795,835	1,795,797	38
Roads and bridges	-	-	-
Other capital outlay	-	-	-
Total Capital Outlay	-	-	-
Total Expenditures and Encumbrances	1,795,835	1,795,797	38
Excess of Revenue Over(Under) Expenditures and Encumbrances	1,601,004	1,601,042	38
OTHER FINANCING SOURCES			
Proceeds from sale of capital assets	-	-	-
Michigan transportation fund distribution	-	-	-
Grants and transfers from other funds	49,265	49,265	-
Total Financing Sources	49,265	49,265	-
OTHER FINANCING USES			
Michigan transportation fund distribution	1,412,213	1,412,213	-
Grants and transfers to other funds	241,328	238,095	3,233
Discount on bonds issued	-	-	-
Debt service	-	-	-
Total Financing Uses	1,653,541	1,650,307	3,233
Excess Other Financial Sources Over(Under) Other Financial Uses	(1,604,275)	(1,601,042)	3,233
Excess of Revenue and Other Financial Sources Over(Under) Expenditures, Encumbrances and Other Financial Uses	\$ (3,271)	\$ -	\$ 3,271
RECONCILING ITEMS			
Encumbrances at September 30		-	
Funds not annually budgeted		-	
Net Reconciling Items		-	
Excess of Revenue and Other Financial Sources Over(Under)Expenditures and Other Financial Uses (GAAP Basis)		-	
FUND BALANCES (GAAP BASIS)			
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)
\$ 92,549	\$ 92,549	\$ -	\$ 3,446,698	\$ 3,446,698	\$ -
74,678	74,678	-	74,678	74,678	-
-	-	-	-	-	-
-	-	-	4,787	4,787	-
169	169	-	37,568	37,568	-
277	277	-	532	532	-
-	-	-	-	-	-
9,625	9,625	-	9,875	9,875	-
177,298	177,298	-	3,574,137	3,574,137	-
27,500	24,736	2,764	32,377	29,575	2,802
223,899	223,899	-	223,899	223,899	-
296,082	294,116	1,966	2,087,041	2,085,075	1,966
-	-	-	-	-	-
-	-	-	-	-	-
547,482	542,752	4,730	2,343,317	2,338,549	4,768
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
547,482	542,752	4,730	2,343,317	2,338,549	4,768
(370,184)	(365,454)	4,730	1,230,820	1,235,589	4,768
29	29	-	29	29	-
249,115	249,115	-	249,115	249,115	-
1,237	1,237	-	50,502	50,502	-
250,380	250,380	-	299,645	299,645	-
-	-	-	1,412,213	1,412,213	-
250	173	77	241,578	238,268	3,310
-	-	-	-	-	-
10,904	10,904	-	10,904	10,904	-
11,154	11,077	77	1,664,694	1,661,385	3,310
239,226	239,303	77	(1,365,049)	(1,361,740)	3,310
\$ (130,958)	\$ (126,151)	\$ 4,807	\$ (134,229)	\$ (126,151)	\$ 8,078
	144,499			144,499	
	-			-	
	144,499			144,499	
	18,348			18,348	
	223,489			223,489	
\$ 241,837			\$ 241,837		

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)

	MICHIGAN TRANSPORTATION FUND		
(Statutory/Budgetary Basis)	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
REVENUES			
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	-
Total Revenues	3,169,811	3,169,811	-
EXPENDITURES AND ENCUMBRANCES			
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	-	-	-
Total Administration and Operations	1,739,716	1,634,948	104,768
Roads and bridges	-	-	-
Other capital outlay	-	-	-
Total Capital Outlay	-	-	-
Total Expenditures and Encumbrances	1,739,716	1,634,948	104,768
Excess of Revenue Over(Under) Expenditures and Encumbrances	1,430,095	1,534,863	104,768
OTHER FINANCING SOURCES			
Proceeds from sale of capital assets	-	-	-
Michigan transportation fund distribution	-	-	-
Grants and transfers from other funds	-	-	-
Total Financing Sources	-	-	-
OTHER FINANCING USES			
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	-	-	-
Total Financing Uses	1,635,307	1,534,863	100,444
Excess Other Financial Sources Over(Under) Other Financial Uses	(1,635,307)	(1,534,863)	100,444
Excess of Revenue and Other Financial Sources Over(Under) Expenditures, Encumbrances and Other Financial Uses	\$ (205,212)	\$ -	\$ 205,212
RECONCILING ITEMS			
Encumbrances at September 30		-	
Funds not annually budgeted		-	
Net Reconciling Items		-	
Excess of Revenue and Other Financial Sources Over(Under)Expenditures and Other Financial Uses (GAAP Basis)		-	
FUND BALANCES (GAAP BASIS)			
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)
\$ 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	-
179,625	179,625	-	3,349,437	3,349,437	-
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
-	-	-	-	-	-
-	-	-	-	-	-
568,660	543,193	25,467	2,308,376	2,178,141	130,235
-	-	-	-	-	-
-	-	-	-	-	-
568,660	543,193	25,467	2,308,376	2,178,141	130,235
(389,034)	(363,567)	25,467	1,041,061	1,171,296	130,235
16	16	-	16	16	-
240,424	240,424	-	240,424	240,424	-
1,425	1,425	-	1,425	1,425	-
241,865	241,865	-	241,865	241,865	-
-	-	-	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	-
11,146	11,064	82	1,646,453	1,545,927	100,526
230,719	230,801	82	(1,404,589)	(1,304,062)	100,526
\$ (158,315)	\$ (132,766)	\$ 25,549	(363,528)	\$ (132,766)	\$ 230,761
	143,480			\$ 143,480	
	-			\$ -	
	143,480			\$ 143,480	
	10,714			\$ 10,714	
	212,775			\$ 212,775	
\$ 223,489	\$ 223,489		\$ 223,489	\$ 223,489	

MICHIGAN DEPARTMENT OF TRANSPORTATION
DESCRIPTIONS OF CAPITAL PROJECTS FUNDS
FISCAL YEAR ENDED SEPTEMBER 30, 2021

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, 2021

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 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, the first batch of bonds for \$800 million of the \$3.5 billion had been issued.

2021A 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, 2021, the second batch of bonds for \$800 million closed. That brings the total of \$1.6 billion of the \$3.5 billion having been issued.

MICHIGAN DEPARTMENT OF TRANSPORTATION
DESCRIPTIONS OF CAPITAL PROJECTS FUNDS
FISCAL YEAR ENDED SEPTEMBER 30, 2021

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, 2021

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, 2021 and 2020
 (In Thousands)

	STATE TRUNKLINE FUND (excluding Blue Water Bridge Fund)		BLUE WATER BRIDGE FUND	
	2021	2020	2021	2020
ASSETS				
Current Assets:				
Cash and cash equivalents	\$ 20	\$ 16	\$ 4	\$ 15
Equity in Common Cash	1,052,415	870,993	74,600	74,754
Receivables:				
Taxes, interest, and penalties (at net)	-	-	-	-
Other funds	30,929	16,345	1	-
Component Units	935	1,489	-	-
Federal aid	96,514	152,630	-	-
Local units	28,563	27,765	-	-
Inventories	19,906	15,453	-	-
Other Current Assets	7,789	12,440	194	741
 Total Current Assets	 1,237,071	 1,097,131	 74,799	 75,511
Noncurrent Assets:				
Receivables:				
Taxes	-	-	-	-
Federal aid	-	-	-	-
Local units	50,024	55,137	-	-
Advances to other funds	-	-	-	-
Land contracts	-	-	-	-
Miscellaneous	-	-	-	-
 Total Noncurrent Assets	 50,024	 55,137	 -	 -
 Total Assets	 \$ 1,287,095	 \$ 1,152,268	 \$ 74,799	 \$ 75,511
 LIABILITIES AND FUND BALANCES				
Current Liabilities:				
Warrants outstanding	\$ -	\$ -	\$ -	\$ -
Accounts Payable and Other Liabilities	229,421	245,225	1,013	840
Contract reserve payable	-	-	-	-
Amounts due to other funds	2,466	5,617	28	71
Amounts held for others	-	-	-	-
Unearned revenue	3,045	3,852	1,652	1,811
 Total Current Liabilities	 234,932	 254,693	 2,693	 2,722
Long-Term Liabilities:				
Unearned revenue	14	84	-	-
Total Long-Term Liabilities	14	84	-	-
 Total Liabilities	 234,946	 254,777	 2,693	 2,722
 DEFERRED INFLOWS OF RESOURCES	 -	 -	 -	 -
 Fund Balances:				
Nonspendable	19,906	15,454	-	-
Restricted	1,032,244	882,038	72,106	72,789
Committed	-	-	-	-
Assigned	-	-	-	-
 Total Fund Balances	 1,052,150	 897,491	 72,106	 72,789
 Total Liabilities, Deferred Inflows of Resources, and Fund Balances	 \$ 1,287,095	 \$ 1,152,268	 \$ 74,799	 \$ 75,511

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	
2021	2020	2021	2020	2021	2020
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
7,660	11,494	1,778,973	1,044,035	3,988	3,964
513	251	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
59,080	70,315	-	62,457	-	-
48	72	156	-	30	30
-	-	-	-	-	-
34	31	-	-	-	-
<u>67,335</u>	<u>82,163</u>	<u>1,779,129</u>	<u>1,106,492</u>	<u>4,018</u>	<u>3,994</u>
-	3	-	-	-	-
-	-	-	-	-	-
173	204	-	-	240	270
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>173</u>	<u>207</u>	<u>-</u>	<u>-</u>	<u>240</u>	<u>270</u>
\$ <u>67,508</u>	\$ <u>82,370</u>	\$ <u>1,779,129</u>	\$ <u>1,106,492</u>	\$ <u>4,258</u>	\$ <u>4,264</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
49,952	65,708	34,523	6,464	-	-
-	-	-	-	-	-
40	94	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>49,993</u>	<u>65,803</u>	<u>34,523</u>	<u>6,464</u>	<u>-</u>	<u>-</u>
-	-	-	-	-	-
-	-	-	-	-	-
<u>49,993</u>	<u>65,803</u>	<u>34,523</u>	<u>6,464</u>	<u>-</u>	<u>-</u>
-	-	-	-	-	-
-	6	-	-	-	-
-	-	-	-	-	-
17,515	16,561	1,744,606	1,100,028	4,258	4,264
-	-	-	-	-	-
<u>17,515</u>	<u>16,561</u>	<u>1,744,606</u>	<u>1,100,028</u>	<u>4,258</u>	<u>4,264</u>
\$ <u>67,508</u>	\$ <u>82,370</u>	\$ <u>1,779,129</u>	\$ <u>1,106,492</u>	\$ <u>4,258</u>	\$ <u>4,264</u>

	TRANSPORTATION RELATED TRUST FUND		TOTALS	
	2021	2020	2021	2020
ASSETS				
Current Assets:				
Cash and cash equivalents	\$ -	\$ -	\$ 24	\$ 31
Equity in Common Cash	-	-	2,917,635	2,005,240
Receivables:				
Taxes, interest, and penalties (at net)	-	-	513	251
Other funds	-	-	30,930	16,345
Component Units	-	-	935	1,489
Federal aid	55,346	42,238	210,940	327,641
Local units	75,763	93,461	104,561	121,329
Inventories	-	-	19,906	15,453
Other Current Assets	-	-	8,017	13,212
Total Current Assets	<u>131,110</u>	<u>135,700</u>	<u>3,293,462</u>	<u>2,500,992</u>
Noncurrent Assets:				
Receivables:				
Taxes	-	-	0	3
Federal aid	-	-	-	-
Local units	-	-	50,437	55,611
Advances to other funds	-	-	-	-
Land contracts	-	-	-	-
Miscellaneous	-	-	-	-
Total Noncurrent Assets	<u>-</u>	<u>-</u>	<u>50,437</u>	<u>55,613</u>
Total Assets	<u>\$ 131,110</u>	<u>\$ 135,700</u>	<u>\$ 3,343,900</u>	<u>\$ 2,556,606</u>
LIABILITIES AND FUND BALANCES				
Current Liabilities:				
Warrants outstanding	\$ -	\$ -	\$ -	\$ -
Accounts Payable and Other Liabilities	85,866	71,199	400,776	389,436
Contract reserve payable	-	-	-	-
Amounts due to other funds	45,243	64,500	47,777	70,282
Amounts held for others	-	-	-	-
Unearned revenue	-	-	4,697	5,663
Total Current Liabilities	<u>131,110</u>	<u>135,700</u>	<u>453,251</u>	<u>465,381</u>
Long-Term Liabilities:				
Unearned revenue	-	-	14	84
Total Long-Term Liabilities	<u>-</u>	<u>-</u>	<u>14</u>	<u>84</u>
Total Liabilities	<u>131,110</u>	<u>135,700</u>	<u>453,265</u>	<u>465,465</u>
DEFERRED INFLOWS OF RESOURCES				
	<u>-</u>	<u>-</u>	<u>-</u>	<u>6</u>
Fund Balances:				
Nonspendable	-	-	19,906	15,454
Restricted	-	-	2,870,729	2,075,681
Committed	-	-	-	-
Assigned	-	-	-	-
Total Fund Balances	<u>-</u>	<u>-</u>	<u>2,890,635</u>	<u>2,091,134</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 131,110</u>	<u>\$ 135,700</u>	<u>\$ 3,343,900</u>	<u>\$ 2,556,606</u>



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COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
CAPITAL PROJECT FUNDS
FISCAL YEARS ENDED SEPTEMBER 30, 2021 and 2020
(In Thousands)

	STATE TRUNKLINE FUND (excluding Blue Water Bridge Fund)		BLUE WATER BRIDGE FUND	
	2021	2020	2021	2020
REVENUES				
Taxes	\$ -	\$ -	\$ -	\$ -
Federal aid	852,757	967,360	-	-
Local participation	34,067	20,687	-	-
Services	3,501	3,161	-	-
License and permits	7,407	6,901	-	-
Interest earnings on common cash	817	6,612	88	828
Non-operating revenue-bridges	3,297	4,127	-	-
Miscellaneous	32,417	70,193	16,124	17,037
Total Revenues	934,263	1,079,042	16,212	17,866
EXPENDITURES				
Administration and Operations:				
Administration and maintenance	682,844	629,344	6,219	6,126
Other grants	125,525	141,415	-	-
Airport development	-	-	-	-
Non-operating expenditures-bridges	3,147	3,919	-	-
Trust fund construction activity	-	-	-	-
Capital lease payments	1,589	21,656	-	-
Total Administration and Operations	813,105	796,333	6,219	6,126
Capital Outlay:				
Roads and bridges	1,384,864	1,560,916	3,797	3,844
Other capital outlay	3,107	2,577	-	-
Total Capital Outlay	1,387,971	1,563,493	3,797	3,844
Total Expenditures	2,201,076	2,359,827	10,016	9,970
Excess of Revenues Over (Under) Expenditures	(1,266,813)	(1,280,785)	6,196	7,896
OTHER FINANCING SOURCES				
Capital Lease Acquisitions	204,803	205,902	-	-
Proceeds from sale of capital assets	846	206	-	-
Michigan transportation fund distribution	1,163,070	1,059,655	-	-
Grants and transfers from other funds	249,661	272,782	-	-
Proceeds from bonds and notes issued	-	-	-	-
Premium on bonds issued	-	-	-	-
Total Other Financing Sources	1,618,380	1,538,546	-	-
OTHER FINANCING USES				
Grants and transfers to other funds	5,449	10,508	70	73
Discount on bonds issued	-	-	-	-
Debt service	191,461	192,679	6,809	6,886
Total Other Financing Uses	196,909	203,187	6,879	6,960
Excess of Other Financing Sources Over (Under) Other Financing Uses	1,421,471	1,335,359	(6,879)	(6,960)
Excess of Revenue and Other Sources Over (Under) Expenditures and Other Uses	154,658	54,574	(683)	936
Fund balances-Beginning of fiscal year	Note 1 897,491	842,918	72,789	71,853
Fund balances-End of fiscal year	\$ 1,052,150	\$ 897,491	\$ 72,106	\$ 72,789

Note 1 The beginning fund balance for the Capital Projects fund was restated in FY21 as it was determined that a receivable established in prior years would not be collected against as the associated variance is used to pay the outstanding debt service.

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	
2021	2020	2021	2020	2021	2020
\$ 9,083	\$ 13,933	\$ -	\$ -	\$ -	\$ -
193,597	233,913	49,171	80,331	-	-
10	174	-	-	-	-
156	280	-	-	-	-
414	418	-	-	-	-
-	-	1,390	879	3	24
-	-	-	-	-	-
9,573	670	-	-	-	6
<u>212,833</u>	<u>249,389</u>	<u>50,561</u>	<u>81,210</u>	<u>3</u>	<u>30</u>
7,128	6,992	124	47	386	1,909
67,974	138,863	-	-	-	2,978
137,758	105,459	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>212,860</u>	<u>251,315</u>	<u>124</u>	<u>47</u>	<u>386</u>	<u>4,886</u>
-	-	296,858	36,419	-	-
1,482	192	-	-	-	2,380
<u>1,482</u>	<u>192</u>	<u>296,858</u>	<u>36,419</u>	<u>-</u>	<u>2,380</u>
214,343	251,507	296,981	36,467	386	7,267
<u>(1,509)</u>	<u>(2,118)</u>	<u>(246,421)</u>	<u>44,743</u>	<u>(383)</u>	<u>(7,236)</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
6,000	6,000	-	-	376	198
-	-	799,977	800,000	-	-
-	-	208,645	217,306	-	-
<u>6,000</u>	<u>6,000</u>	<u>1,008,623</u>	<u>1,017,306</u>	<u>376</u>	<u>198</u>
104	111	55,181	81,155	-	-
-	-	-	-	-	-
3,432	3,436	-	-	-	-
<u>3,536</u>	<u>3,547</u>	<u>55,181</u>	<u>81,155</u>	<u>-</u>	<u>-</u>
2,464	2,453	953,442	936,151	376	198
954	335	707,021	980,894	(7)	(7,038)
16,561	16,226	1,037,585	119,134	4,264	11,302
<u>\$ 17,515</u>	<u>\$ 16,561</u>	<u>\$ 1,744,606</u>	<u>\$ 1,100,028</u>	<u>\$ 4,258</u>	<u>\$ 4,264</u>

	TRANSPORTATION RELATED TRUST FUND		TOTALS	
	2021	2020	2021	2020
REVENUES				
Taxes	\$ -	\$ -	\$ 9,083	\$ 13,933
Federal aid	326,863	345,170	1,422,388	1,626,774
Local participation	-	-	34,078	20,862
Services	-	-	3,657	3,442
License and permits	-	-	7,821	7,320
Interest earnings on common cash	-	-	2,298	8,344
Non-operating revenue-bridges	-	-	3,297	4,127
Miscellaneous	189	892	58,303	88,798
Total Revenues	327,052	346,062	1,540,924	1,773,598
EXPENDITURES				
Administration and Operations:				
Administration and maintenance	-	-	696,701	644,418
Other grants	-	-	193,499	283,256
Airport development	-	-	137,758	105,459
Non-operating expenditures-bridges	-	-	3,147	3,919
Trust fund construction activity	327,052	346,062	327,052	346,062
Capital lease payments	-	-	1,589	21,656
Total Administration and Operations	327,052	346,062	1,359,746	1,404,769
Capital Outlay:				
Roads and bridges	-	-	1,685,519	1,601,180
Other capital outlay	-	-	4,589	5,149
Total Capital Outlay	-	-	1,690,108	1,606,329
Total Expenditures	327,052	346,062	3,049,854	3,011,099
Excess of Revenues Over (Under) Expenditures	-	-	(1,508,930)	(1,237,500)
OTHER FINANCING SOURCES				
Capital Lease Acquisitions	-	-	204,803	205,902
Proceeds from sale of capital assets	-	-	846	206
Michigan transportation fund distribution	-	-	1,163,070	1,059,655
Grants and transfers from other funds	-	-	256,037	278,981
Proceeds from bonds and notes issued	-	-	799,977	800,000
Premium on bonds issued	-	-	208,645	217,306
Total Other Financing Sources	-	-	2,633,379	2,562,050
OTHER FINANCING USES				
Grants and transfers to other funds	-	-	60,804	91,847
Discount on bonds issued	-	-	-	-
Debt service	-	-	201,701	203,001
Total Other Financing Uses	-	-	262,505	294,848
Excess of Other Financing Sources Over (Under) Other Financing Uses	-	-	2,370,874	2,267,202
Excess of Revenue and Other Sources Over (Under) Expenditures and Other Uses	-	-	861,944	1,029,701
Fund balances-Beginning of fiscal year	-	-	2,028,691	1,061,433
Fund balances-End of fiscal year	\$ -	\$ -	\$ 2,890,635	\$ 2,091,134



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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, 2021
(In Thousands)

(Statutory/Budgetary Basis)	STATE TRUNKLINE FUND (excluding Blue Water Bridge Fund)		
	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
REVENUES			
Taxes	\$ -	\$ -	\$ -
Federal aid	852,757	852,757	-
Local participation	34,067	34,067	-
Services	3,501	3,501	-
License and permits	7,407	7,407	-
Interest earnings	817	817	-
Non-operating revenue-bridges	3,297	3,297	-
Miscellaneous and Service revenue	32,417	32,417	-
Total Revenues	934,263	934,263	-
EXPENDITURES AND ENCUMBRANCES			
Administration	790,358	745,607	44,751
Other grants	136,564	117,588	18,976
Airport development	-	-	-
Nonoperating expenditure-bridges	3,342	3,342	-
Total Administration and Operations	930,263	866,537	63,727
Roads and bridges	1,410,536	1,364,140	46,396
Other capital outlay	6,258	6,258	-
Total Capital Outlay	1,416,794	1,370,398	46,396
Total Expenditures and Encumbrances	2,347,057	2,236,935	110,123
Excess of Revenue Over(Under) Expenditures and Encumbrances	(1,412,794)	(1,302,672)	110,123
OTHER FINANCING SOURCES			
Capital Lease Acquisitions	-	-	-
Proceeds of sale of capital assets	846	846	-
Michigan transportation fund distribution	1,163,070	1,163,070	-
Grants and transfers from other funds	249,661	249,661	-
Proceeds from bonds and notes issued	-	-	-
Premium on bonds issued	-	-	-
Total Financing Sources	1,413,577	1,413,577	-
OTHER FINANCING USES			
Grants and transfers to other funds	5,449	5,449	-
Discount on bonds issued	-	-	-
Debt service	193,944	191,461	2,483
Total Financing Uses	199,392	196,909	2,483
Excess Other Financial Sources Over(Under) Other Financial Uses	1,214,185	1,216,668	2,483
Excess of Revenue and Other Financial Sources Over(Under) Expenditures, Encumbrances and Other Financial Uses	\$ (198,610)	(86,004)	\$ 112,606
RECONCILING ITEMS			
Encumbrances at September 30		240,662	
Funds not annually budgeted		-	
Net Reconciling Items		240,662	
Excess of Revenue and Other Financial Sources Over(Under)Expenditures and Other Financial Uses (GAAP Basis)		154,658	
FUND BALANCES (GAAP BASIS)			
Beginning balance - Restated		897,491	
Ending balances (GAAP Basis)		\$ 1,052,150	

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)
\$ -	\$ -	\$ -	\$ 9,083	\$ 9,083	\$ -
-	-	-	193,597	193,597	-
-	-	-	10	10	-
-	-	-	156	156	-
-	-	-	414	414	-
88	88	-	-	-	-
-	-	-	-	-	-
16,124	16,124	-	9,573	9,573	-
16,212	16,212	-	212,833	212,833	-
6,779	6,219	560	23,260	22,181	1,079
-	-	-	67,974	67,974	-
-	-	-	123,616	123,360	256
-	-	-	-	-	-
6,779	6,219	560	214,849	213,515	1,335
8,989	4,937	4,052	-	-	-
-	-	-	1,485	1,485	-
8,989	4,937	4,052	1,485	1,485	-
15,767	11,156	4,611	216,335	215,000	1,335
444	5,056	4,611	(3,501)	(2,167)	1,335
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	6,000	6,000	-
-	-	-	-	-	-
-	-	-	6,000	6,000	-
70	70	-	150	104	46
-	-	-	-	-	-
6,811	6,809	2	3,432	3,432	-
6,881	6,879	2	3,582	3,536	46
(6,881)	(6,879)	2	2,418	2,464	46
\$ (6,437)	\$ (1,823)	\$ 4,613	\$ (1,083)	297	\$ 1,380
	1,140			657	
	-			-	
	1,140			657	
	-			-	
	(683)			954	
	72,789			16,561	
\$	\$ 72,106		\$	17,515	

	Funds not Annually Budgeted		
	COMBINED TRUNKLINE FUND BOND PROCEEDS FUND	COMBINED COMPREHENSIVE TRANSPORTATION BOND PROCEEDS FUND	TRANSPORTATION RELATED TRUST FUND
(Statutory/Budgetary Basis)			
REVENUES			
Taxes	\$ -	\$ -	\$ -
Federal aid	-	-	-
Local participation	-	-	-
Services	-	-	-
License and permits	-	-	-
Interest earnings	-	-	-
Non-operating revenue-bridges	-	-	-
Miscellaneous and Service revenue	-	-	-
Total Revenues	-	-	-
EXPENDITURES AND ENCUMBRANCES			
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	-	-	-
OTHER FINANCING SOURCES			
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	-	-	-
OTHER FINANCING USES			
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	-	-	-
RECONCILING ITEMS			
Encumbrances at September 30	-	-	-
Funds not annually budgeted	707,021	(7)	-
Net Reconciling Items	707,021	(7)	-
Excess of Revenue and Other Financial Sources Over(Under)Expenditures and Other Financial Uses (GAAP Basis)	707,021	(7)	-
FUND BALANCES (GAAP BASIS)			
Beginning balance - Restated	1,037,585	4,264	-
Ending balances (GAAP Basis)	\$ 1,744,606	\$ 4,258	\$ -

TOTALS		
BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
\$ 9,083	\$ 9,083	\$ -
1,046,354	1,046,354	-
34,078	34,078	-
3,657	3,657	-
7,821	7,821	-
905	905	-
3,297	3,297	-
58,114	58,114	-
1,163,308	1,163,308	-
820,396	774,007	46,389
204,538	185,562	18,976
123,616	123,360	256
3,342	3,342	-
1,151,892	1,086,270	65,621
1,419,525	1,369,077	50,448
7,743	7,743	-
1,427,268	1,376,820	50,448
2,579,159	2,463,091	116,069
(1,415,851)	(1,299,783)	116,069
-	-	-
846	846	-
1,163,070	1,163,070	-
255,661	255,661	-
-	-	-
-	-	-
1,419,577	1,419,577	-
5,669	5,623	46
-	-	-
204,187	201,701	2,486
209,855	207,324	2,531
1,209,722	1,212,253	2,531
\$ (206,130)	(87,530)	\$ 118,600
	242,460	
	707,014	
	949,474	
	861,944	
	2,028,691	
	\$ 2,890,635	

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)			VARIANCE FAVORABLE (UNFAVORABLE)
	BUDGET	ACTUAL		
REVENUES				
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	-	-
Total Revenues	1,079,042	1,079,042	-	-
EXPENDITURES AND ENCUMBRANCES				
Administration	752,997	666,172	86,825	
Other grants	146,430	130,908	15,522	
Airport development	-	-	-	
Nonoperating expenditure-bridges	4,127	4,127	-	
Total Administration and Operations	903,554	801,207	102,347	
Roads and bridges	1,533,893	1,487,576	46,317	
Other capital outlay	4,777	4,777	-	
Total Capital Outlay	1,538,670	1,492,352	46,317	
Total Expenditures and Encumbrances	2,442,224	2,293,559	148,665	
Excess of Revenue Over(Under) Expenditures and Encumbrances	-	-	-	
	(1,363,182)	(1,214,517)	148,665	
OTHER FINANCING SOURCES				
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	-	-	-	
Total Financing Sources	1,332,644	1,332,644	-	
OTHER FINANCING USES				
Grants and transfers to other funds	10,508	10,508	-	
Discount on bonds issued	-	-	-	
Debt service	192,679	192,679	-	
Total Financing Uses	203,187	203,187	-	
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	\$
RECONCILING ITEMS				
Encumbrances at September 30		139,634		
Funds not annually budgeted		-		
Net Reconciling Items		139,634		
Excess of Revenue and Other Financial Sources Over(Under)Expenditures and Other Financial Uses (GAAP Basis)		54,574		
FUND BALANCES (GAAP BASIS)				
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			
	COMBINED TRUNKLINE FUND BOND PROCEEDS FUND	COMBINED COMPREHENSIVE TRANSPORTATION BOND PROCEEDS FUND	TRANSPORTATION RELATED TRUST FUND	
(Statutory/Budgetary Basis)				
REVENUES				
Taxes	\$ -	\$ -	\$ -	\$
Federal aid	-	-	-	
Local participation	-	-	-	
Services	-	-	-	
License and permits	-	-	-	
Interest earnings	-	-	-	
Non-operating revenue-bridges	-	-	-	
Miscellaneous and Service revenue	-	-	-	
Total Revenues	-	-	-	
EXPENDITURES AND ENCUMBRANCES				
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	-	-	-	
OTHER FINANCING SOURCES				
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	-	-	-	
OTHER FINANCING USES				
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	-	-	-	\$
RECONCILING ITEMS				
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)	-	
FUND BALANCES (GAAP BASIS)				
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	-
1,346,296	1,346,296	-
768,532	679,262	89,270
285,293	269,771	15,522
108,719	107,294	1,425
4,127	4,127	-
1,166,671	1,060,454	106,217
1,548,876	1,494,107	54,769
4,993	4,993	-
1,553,869	1,499,100	54,769
2,720,540	2,559,554	160,986
-	-	-
(1,374,244)	(1,213,258)	160,986
-	-	-
206	206	-
1,059,655	1,059,655	-
278,782	278,782	-
-	-	-
-	-	-
1,338,644	1,338,644	-
10,731	10,692	39
-	-	-
203,001	203,001	-
213,732	213,693	39
1,124,912	1,124,951	39
(249,332)	(88,307)	\$ 161,025
	144,152	
	973,856	
	1,118,008	
	-	
	1,029,701	
	1,061,433	
	\$ 2,091,134	

MICHIGAN DEPARTMENT OF TRANSPORTATION
DESCRIPTIONS OF DEBT SERVICE FUNDS
FISCAL YEAR ENDED SEPTEMBER 30, 2021

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, 2021 and 2020
(In Thousands)

	COMBINED STATE TRUNKLINE BOND AND INTEREST REDEMPTION FUND		COMBINED COMPREHENSIVE TRANSPORTATION BOND AND INTEREST REDEMPTION FUND		TOTALS	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
ASSETS						
Current Assets:						
Equity in Common Cash	\$ 38	\$ 30	\$ -	\$ -	\$ 38	\$ 30
Amounts due from other funds	-	-	-	-	-	-
Other Current Assets	-	-	-	-	-	-
Total Assets	<u>\$ 38</u>	<u>\$ 30</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 38</u>	<u>\$ 30</u>
LIABILITIES AND FUND BALANCES						
Current Liabilities:						
Warrants Outstanding	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts payable and other liabilities	8	-	-	-	8	-
Amounts due to other funds	-	-	-	-	-	-
Total Liabilities	<u>8</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>8</u>	<u>-</u>
Fund Balances:						
Unreserved	<u>30</u>	<u>30</u>	<u>-</u>	<u>-</u>	<u>30</u>	<u>30</u>
Total Fund Balances	<u>30</u>	<u>30</u>	<u>-</u>	<u>-</u>	<u>30</u>	<u>30</u>
Total Liabilities and Fund Balances	<u>\$ 38</u>	<u>\$ 30</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 38</u>	<u>\$ 30</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, 2021 and 2020
(In Thousands)

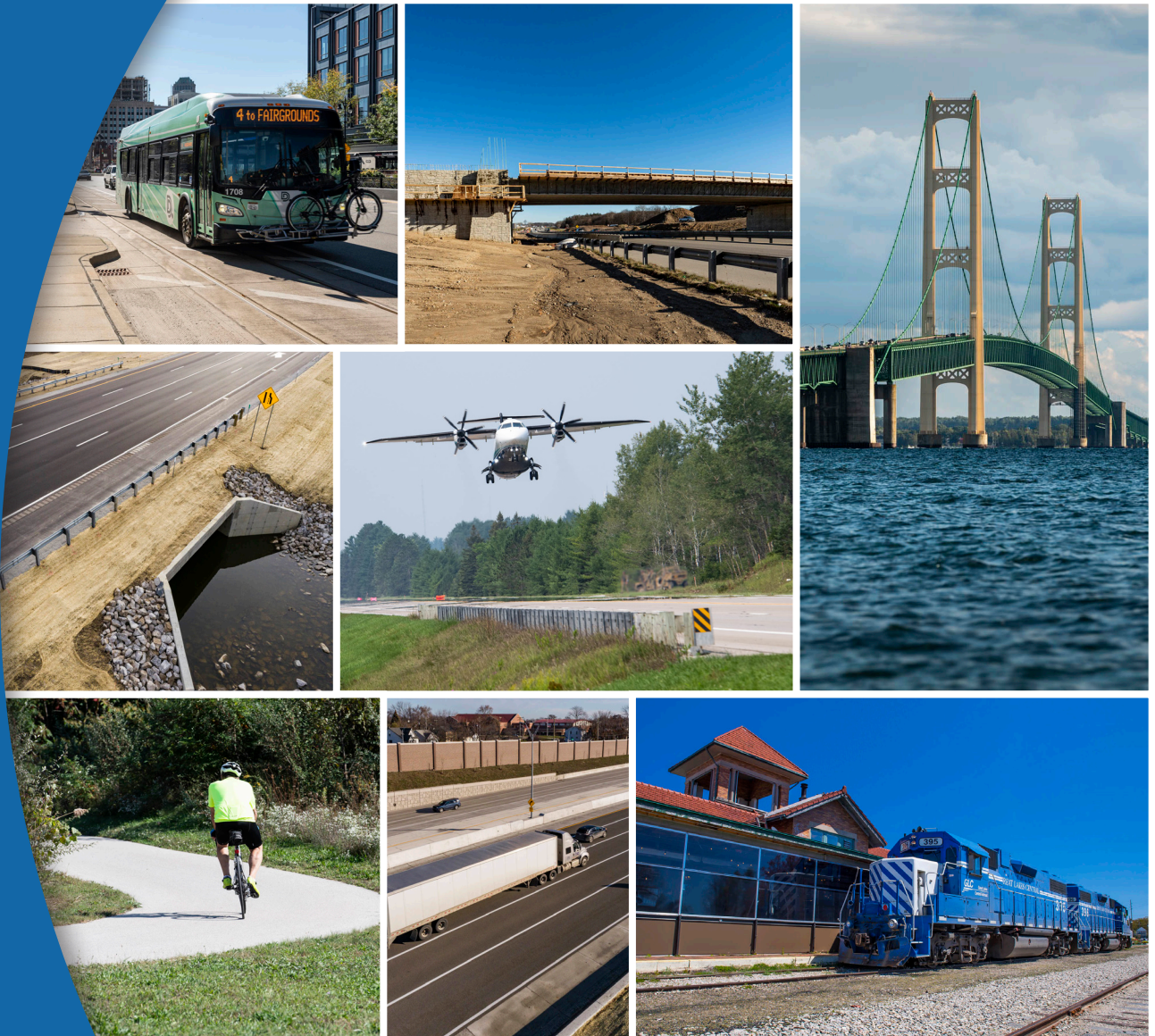
	COMBINED STATE TRUNKLINE BOND AND INTEREST REDEMPTION FUND		COMBINED COMPREHENSIVE TRANSPORTATION BOND AND INTEREST REDEMPTION FUND		TOTALS	
	2021	2020	2021	2020	2021	2020
REVENUES						
Interest earnings	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Miscellaneous	2	2	-	-	3	2
Total Revenues	2	2	-	-	3	2
EXPENDITURES						
Administration	-	-	-	-	-	-
Costs of issuance	190	545	-	-	190	545
Bond principal retirement	131,230	150,330	11,930	11,335	143,160	161,665
Bond interest and fiscal charges	67,978	49,236	2,406	2,997	70,384	52,232
Total Expenditures	199,398	200,110	14,336	14,332	213,735	214,443
Excess of Revenues Over (Under) Expenditures	(199,396)	(200,109)	(14,336)	(14,332)	(213,732)	(214,440)
OTHER FINANCING SOURCES						
Proceeds from refunding bond issues	54,150	103,485	-	-	54,150	103,485
Proceeds from bond issues other than refunding	23	-	-	-	23	-
Premium on bonds issued	15,913	7,675	-	-	15,913	7,675
Transfer from State Aeronautics Fund	-	-	3,432	3,436	3,432	3,436
Transfer from State Trunkline Fund	198,269	199,566	-	-	198,269	199,566
Transfer from Comprehensive Transportation Fund	-	-	-	-	-	-
	-	-	10,904	10,896	10,904	10,896
Total Other Financing Sources	268,355	310,725	14,336	14,332	282,690	325,057
OTHER FINANCING USES						
Payment to refunded bond escrow agent	68,958	110,587	-	-	68,958	110,587
Total Other Financing Uses	68,958	110,587	-	-	68,958	110,587
Excess of Other Sources Over (Under) Other Uses	199,396	200,139	14,336	14,332	213,732	214,470
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	-	30	-	-	-	30
Fund balances-Beginning of fiscal year	30	-	-	-	30	-
Fund balances-End of fiscal year	\$ 30	\$ 30	\$ -	\$ -	\$ 30	\$ 30

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

2021

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, 2021
(In Thousands)

	<u>2011-2012</u>	<u>2012-2013</u>	<u>2013-2014</u>
REVENUES AND OTHER SOURCES:			
Michigan Transportation Fund	\$ 1,858,160	\$ 1,894,679	\$ 1,937,904
State Trunkline Fund			
Economic Development	68,739	51,745	48,223
Road and Bridge Program	1,609,683	1,638,111	1,772,689
Blue Water Bridge Fund	22,573	24,818	22,441
Comprehensive Transportation Fund	314,275	496,404	401,373
Aeronautics Fund	117,694	98,334	86,956
Transportation Related Trust Fund	247,875	259,185	315,459
1992 State Trunkline Bond Proceeds Fund	5	245	239
1994 State Trunkline Bond Proceeds Fund	(3)	4	2
2001 Build Michigan III Bond Proceeds Fund	(6)	11	41
2001 & 2002 Build Michigan II Grant Anticipation Note Proceeds Fund	565	-	-
2002 & 2003 Comprehensive Transportation Bond Proceeds Fund	144	693	365
2004 State Trunkline Bond Proceeds Fund	31	66	2,549
2011 State Trunkline Bond Proceeds Fund	63,018	10,431	60,338
Rebuilding Michigan Bond Program	-	-	-
Economic Stimulus Bonds	24,340	37,495	21
Jobs Today Bond Proceeds Fund	26,745	127,194	15
Blue Water Bridge Plaza Series Bonds	61,010	210	2
TOTAL REVENUES AND OTHER SOURCES	\$ <u>4,414,848</u>	\$ <u>4,639,625</u>	\$ <u>4,648,617</u>
EXPENDITURES AND OTHER USES:			
Michigan Transportation Fund	\$ 1,858,160	\$ 1,894,679	\$ 1,937,904
State Trunkline Fund			
Economic Development	67,737	48,702	52,211
Traditional Program	1,628,318	1,537,190	1,707,553
Blue Water Bridge Fund	14,644	13,488	15,131
Comprehensive Transportation Fund	293,624	479,460	388,597
Aeronautics Fund	119,053	93,693	93,671
Transportation Related Trust Fund	247,875	259,185	315,459
1992 State Trunkline Bond Proceeds Fund	1,710	46	209
1994 State Trunkline Bond Proceeds Fund	28	5	-
2001 Build Michigan III Bond Proceeds Fund	(134)	410	41
2001 & 2002 Build Michigan II Grant Anticipation Note Proceeds Fund	25	202	(267)
2002 & 2003 Comprehensive Transportation Bond Proceeds Fund	22,573	12,296	7,374
2004 State Trunkline Bond Proceeds Fund	712	582	9,442
2011 State Trunkline Bond Proceeds Fund	26,490	23,453	66,996
Rebuilding Michigan Bond Program	-	-	-
Economic Stimulus Bonds	3,270	20,854	8,718
Jobs Today Bond Proceeds Fund	48,960	148,568	36,778
Blue Water Bridge Plaza Series Bonds	25,348	8,009	562
TOTAL EXPENDITURES AND OTHER USES	\$ <u>4,358,393</u>	\$ <u>4,540,822</u>	\$ <u>4,640,379</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>	<u>2020-2021</u>
\$ 2,022,175	\$ 2,072,328	\$ 2,617,638	\$ 2,808,250	\$ 3,124,744	\$ 3,169,811	\$ 3,446,105
57,717	54,332	26,440	53,272	54,603	41,348	40,694
1,733,972	1,714,350	1,954,893	1,943,524	2,253,215	2,576,240	2,512,292
20,968	21,285	22,281	22,414	22,668	17,866	16,212
389,096	352,243	376,541	406,879	406,153	421,490	427,678
89,305	72,616	96,279	106,234	97,392	255,389	218,833
314,462	264,737	283,877	276,163	269,615	346,062	327,052
-	-	-	-	-	-	-
-	-	-	-	-	-	-
1	-	-	-	-	-	-
-	-	-	-	-	-	-
86	75	3,390	1,820	1,264	229	379
122	(8)	-	-	-	-	-
8,399	2,977	6	16,066	(1,752)	275	(260)
-	-	-	-	-	1,048,174	1,009,938
1,074	4,031	4,483	1,491	31,458	20,004	42,240
44,710	57,499	112,582	20,552	6,210	30,062	7,264
4	5	1	16	8	1	1
<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>	<u>\$ 8,048,428</u>
\$ 2,022,175	\$ 2,072,328	\$ 2,617,638	\$ 2,808,250	\$ 3,124,743	\$ 3,169,811	\$ 3,446,105
63,906	49,226	36,232	51,330	58,219	47,843	46,387
1,670,003	1,695,233	1,976,204	1,983,756	2,204,072	2,515,171	2,353,060
24,410	24,331	15,986	18,916	22,314	16,930	16,895
403,744	358,385	358,983	344,360	373,106	410,776	409,330
92,869	73,243	100,109	105,638	93,350	255,054	217,879
314,462	264,737	283,877	276,163	269,615	346,062	327,052
-	-	-	-	-	-	-
-	-	-	-	-	-	-
555	-	-	1	-	-	-
-	-	-	-	-	-	-
835	2,611	6,085	1,270	2,644	7,267	386
2,507	(8)	-	-	-	-	-
11,042	6,124	1,037	122	1	14	33
-	-	-	-	-	36,452	296,920
5,377	2	-	-	-	-	-
40,413	34,858	43,721	37,783	35,863	81,155	117,650
1,139	(318)	344	-	-	-	3
<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>	<u>\$ 7,231,700</u>

MICHIGAN DEPARTMENT OF TRANSPORTATION
SCHEDULE OF REVENUES, EXPENDITURES & CHANGES IN FUND BALANCES
ECONOMIC DEVELOPMENT FUND
FISCAL YEARS ENDED SEPTEMBER 30, 2021 and 2020
(In Thousands)

		2021	2020
REVENUES AND OTHER SOURCES			
Licenses and permits	Note 1 \$	140	\$ -
Federal aid		-	-
Local participation		-	-
Interest earnings		108	1,062
Michigan Transportation Fund distribution		40,275	40,275
Miscellaneous		171	11
Fees		-	-
Total Revenues and Other Sources		<u>40,694</u>	<u>41,348</u>
EXPENDITURES AND OTHER USES			
Administration		444	432
Forest roads		5,000	5,000
Target industries-state takeovers		7,188	7,100
Rural county urban system		2,808	3,390
Urban county congestion		9,772	10,276
Rural county primary		7,204	6,476
Community Service Infrastructure Fund	Note 2	2,488	3,532
Special Projects		-	-
Debt service		11,482	11,638
Total Expenditures and Other Uses		<u>46,387</u>	<u>47,844</u>
Excess of Revenue and Other Sources Over (Under) Expenditures and Other Uses		<u>(5,693)</u>	<u>(6,495)</u>
Fund Balances-Beginning of fiscal year		90,350	96,845
Fund Balances-Adjustments		-	-
Fund Balances-End of fiscal year	\$	<u><u>84,658</u></u>	<u><u>\$ 90,350</u></u>

The Economic Development Fund is a sub fund 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: PA 203 of 2020 redirected current year fees to General Fund \$13M and \$8.9M in FY20

Note 2: 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, 2021
(In Thousands)

	<u>Construction Supervision</u>	<u>Preliminary Engineering</u>	<u>Right-of-Way</u>
STATE TRUNKLINE FUND			
Roads and bridges	\$ 177,806	\$ 192,310	\$ 28,790
Economic development fund	52	5	-
Work orders - state facilities	-	-	-
Subtotal	<u>177,858</u>	<u>192,315</u>	<u>28,790</u>
BLUE WATER BRIDGE FUND	<u>(48)</u>	<u>1,909</u>	<u>114</u>
Subtotal	<u>(48)</u>	<u>1,909</u>	<u>114</u>
STATE AERONAUTICS AND GENERAL FUNDS			
Airport development	-	8,349	1,341
Work orders - state facilities	-	-	-
Subtotal	<u>-</u>	<u>8,349</u>	<u>1,341</u>
COMPREHENSIVE TRANSPORTATION FUND			
Rail freight	-	-	-
Bus transit	-	16	-
Intercity bus, rail, water	-	-	-
Subtotal	<u>-</u>	<u>16</u>	<u>-</u>
BOND PROCEEDS FUNDS			
State Trunkline Fund	35,950	37,496	159
Comprehensive Transportation Fund	-	-	-
Aeronautics Fund	-	-	-
Subtotal	<u>35,950</u>	<u>37,496</u>	<u>159</u>
Total Capital Acquisitions	<u>\$ 213,760</u>	<u>\$ 240,084</u>	<u>\$ 30,404</u>

<u>Utility Relocation</u>	<u>Physical Construction</u>	<u>Special Projects</u>	<u>Other Activities</u>	<u>Totals</u>
\$ 2,201	\$ 968,877	\$ -	\$ 70,388	\$ 1,440,371
-	28,696	-	-	28,753
-	-	-	1,540	1,540
<u>2,201</u>	<u>997,573</u>	<u>-</u>	<u>71,928</u>	<u>1,470,664</u>
-	108	-	1,109	3,192
-	108	-	1,109	3,192
-	107,841	-	115,158	232,688
-	-	-	-	-
-	107,841	-	115,158	232,688
-	419	-	5,854	6,273
-	0	-	398,616	398,632
-	835	-	103,942	104,777
-	1,254	-	508,412	509,683
-	252,697	-	73	326,375
-	-	-	(269)	(269)
-	-	-	-	-
-	252,697	-	(196)	326,106
<u>\$ 2,201</u>	<u>\$ 1,359,472</u>	<u>\$ -</u>	<u>\$ 696,411</u>	<u>\$ 2,542,333</u>

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>
STATE TRUNKLINE FUND			
Roads and bridges	\$ 114,928	\$ 159,214	\$ 38,822
Economic development fund	30	142	1,064
Work orders - state facilities	<u>-</u>	<u>-</u>	<u>-</u>
Subtotal	<u>114,958</u>	<u>159,356</u>	<u>39,886</u>
BLUE WATER BRIDGE FUND	<u>494</u>	<u>924</u>	<u>-</u>
Subtotal	<u>494</u>	<u>924</u>	<u>-</u>
STATE AERONAUTICS AND GENERAL FUNDS			
Airport development	-	7,635	826
Work orders - state facilities	<u>-</u>	<u>-</u>	<u>-</u>
Subtotal	<u>-</u>	<u>7,635</u>	<u>826</u>
COMPREHENSIVE TRANSPORTATION FUND			
Rail freight	-	-	-
Bus transit	-	83	-
Intercity bus, rail, water	<u>-</u>	<u>-</u>	<u>-</u>
Subtotal	<u>-</u>	<u>83</u>	<u>-</u>
BOND PROCEEDS FUNDS			
State Trunkline Fund	1,568	2,489	857
Comprehensive Transportation Fund	-	-	-
Aeronautics Fund	<u>-</u>	<u>-</u>	<u>-</u>
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
Schedule of Expenditures of Federal Awards
Fiscal Year Ended September 30, 2021

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
U.S. Department of Transportation									
Highway Planning and Construction Cluster									
Direct Programs:									
Highway Planning and Construction	20.205	Y			N	1,167,257,310.59		30,237,877.18	1,197,495,187.77
Highway Planning and Construction - Covid19/CRRSAA funds	20.205	Y			N	303,296.00			303,296.00
Highway Planning and Construction	20.205	Y			Y	6,584,611.69			6,584,611.69
Recreational Trails Program	20.219	Y			N	1,986,425.96			1,986,425.96
Federal Lands Access Program	20.224	Y			N	1,434,326.82			1,434,326.82
Total Highway Planning and Construction Cluster						1,177,565,971.06	-	30,237,877.18	1,207,803,848.24
Federal Transit Cluster									
Direct Programs:									
Bus and Bus Facilities Formula Program	20.526	Y			N	82,644.88		2,301,289.98	2,383,934.86
Total Federal Transit Cluster						82,644.88	-	2,301,289.98	2,383,934.86
Transit Services Programs Cluster									
Direct Programs:									
Enhanced Mobility for Seniors and Individuals with Disabilities	20.513	Y			N			6,485,241.32	6,485,241.32
New Freedom Program	20.521	Y			N			37,500.00	37,500.00
Total Transit Services Programs Cluster						-		6,522,741.32	6,522,741.32
Direct Programs:									
Airport Improvement Program (Note 1)	20.106	Y			N	40,109,277.52			40,109,277.52
Airport Improvement Program - COVID19/CARES Funds (Note 1)	20.106	Y			N	(2,101.28)			(2,101.28)
Highway Research and Development Program	20.200	Y			Y	2,300,105.82		25,153.27	2,325,259.09
Highway Training and Education	20.215	Y			N			156,812.70	156,812.70
Metropolitan Transportation Planning and State and Non-Metropolitan									
Planning and Research	20.505	Y			N	51,157.21		5,185,262.00	5,236,419.21
Formula Grants for Rural Areas	20.509	Y			N	2,070,850.00		26,829,110.11	28,899,960.11
Formula Grants for Rural Areas - COVID19/CARE Funds	20.509	Y			N	436,493.42		27,328,191.89	27,764,685.31
Public Transportation Innovation	20.530	Y			N			13,200.00	13,200.00
Federal-State Partnership for State of Good Repair	20.326	Y			N	8,586,495.37			8,586,495.37
Capital Assistance to States - Intercity Passenger Rail Service	20.317	Y			N	(713,533.57)			(713,533.57)
National Priority Safety Programs	20.616	N	State Police		N	319,491.00			319,491.00
National Infrastructure Investments	20.933	Y			N	14,399,570.83		1,220,901.51	15,620,472.34
Total Direct Programs						67,557,806.32	-	60,758,631.48	128,316,437.80
Total U.S. Department of Transportation						1,245,206,422.26	-	99,820,539.96	1,345,026,962.22
U.S. Department of Health and Human Services									
TANF Cluster									
Temporary Assistance for Needy Families (TANF) State Programs	93.558	N	Health and Human Services	15-99001	N	550,000.00		-	550,000.00
Total TANF Cluster						550,000.00	-	-	550,000.00
Total U.S. Department of Health and Human Services						550,000.00	-	-	550,000.00
Total Expenditures of Federal Awards						1,245,756,422.26	-	99,820,539.96	1,345,576,962.22

* CFDA is defined as Catalog of Federal Domestic Assistance

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

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			
						Directly Expended by Department	To Other State Agencies	To Non-State Entities	Total Expended and Distributed
U.S. Department of Transportation									
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
Total U.S. Department of Transportation						1,359,838,523	-	104,270,797	1,464,109,321
U.S. Department of Health and Human Services									
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
Total U.S. Department of Health and Human Services						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
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FISCAL YEAR ENDING SEPTEMBER 30, 2021

1. Federal expenditures of \$165,217,331 for the Airport Improvement Program (ALN 20.106) channeled to primary airports for fiscal year 2021 are not included in the SEFA. Included in this amount are Coronavirus Aid, Relief, and Economic Security (CARES) Act expenditures totaling \$81,522,589 and Coronavirus Response and Relief Appropriations Act of 2021 expenditures totaling \$6,529,265. 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, 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.



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