

2023

ANNUAL FINANCIAL REPORT

Michigan Department of Transportation



Fiscal Year Ended September 30, 2023

MICHIGAN DEPARTMENT OF TRANSPORTATION

ANNUAL FINANCIAL REPORT

Fiscal Years Ended September 30, 2023 & 2022

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Mission: Serving and connecting people, communities, and the economy through transportation.

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**MICHIGAN DEPARTMENT OF TRANSPORTATION
ANNUAL FINANCIAL REPORT
FISCAL YEAR ENDED SEPTEMBER 30, 2023**

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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

BRADLEY C. WIEFERICH, P.E.
DIRECTOR

March 27, 2024

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

Bradley C. Wieferich, Director
Michigan Department of Transportation
425 W. Ottawa
Lansing, Michigan 48913

Dear State Transportation Commission and Director Wieferich:

We are pleased to present the Annual Financial Report for the Michigan Department of Transportation (MDOT) for the fiscal years (FY) ending September 30, 2022 and 2023. 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

State revenues related to motor fuel taxes and registration have continued to stabilize since the pandemic-related decreases. MDOT continues to monitor the impact that electric vehicles and vehicles with increasingly fuel efficient internal combustion engines have on our revenue. On the Federal side, Congress passed the Infrastructure, Investment and Jobs Act (IIJA), which provides MDOT's annual apportionments and creates the opportunity to apply for discretionary funding targeted to specific programs. MDOT continues to work with our Federal, Local and State partners to ensure we leverage those funds to the fullest extent.

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 2023, MDOT has issued \$2.8 billion in bonds for the Governor's Rebuilding Michigan Program.

Fiscal year 2021 marked the first time that MDOT received a distribution from the Michigan Regulation and Taxation of Marihuana Act. The revenue received during FY 2021 related to the Act totaled \$49 million, in FY22 it totaled \$69 million, and the total received in FY23 increased to \$102 million.

The following table summarizes the changes from FY 2022 to FY 2023 in the various revenue sources (in millions):

Revenue source table

REVENUE SOURCE	FY 2023	FY 2022	Change
Michigan Transportation Fund			
Motor Vehicle Registration	\$1,505	\$1,403	\$102
Gasoline, Diesel and Alternative fuel taxes	\$1,494	\$1,434	\$60
Motor Vehicle Title Fees	\$35	\$36	(\$1)
Income Tax Redirection	\$600	\$600	\$0
Marihuana Tax	\$102	\$69	\$33
State Trunk Line Fund			
Local Agencies	\$12	\$22	(\$10)
Federal Agencies	\$1,211	\$1,056	\$155
Licenses and Permits	\$17	\$17	\$0
Comprehensive Transportation Fund			
Public Transportation Services	\$274	\$257	\$17
Federal Agencies	\$102	\$87	\$15
Motor Fuel Taxes	\$135	\$139	(\$4)
State Aeronautics Fund			
Aviation Fuel Tax	\$18	\$14	\$4
Federal Agencies	\$204	\$179	\$25

PROGRAM OVERVIEW

MDOT's Transportation Program supports the creation of jobs, growth of the economy, preservation of our environment and the safety and security of the transportation system. In FY 2023, MDOT was confronted with increased project costs due to inflation, constrained budgets, and an aging infrastructure. Policy direction set by the State Transportation Commission is implemented through the distribution of resources to the various programs that are critical to the ongoing maintenance and improvement of the 32,000 trunkline lane miles (9,700 route miles) for which MDOT is responsible.

In FY 2023, a total Highway Capital Program investment of \$2.8 billion; including pre-construction phases (project scoping, environmental clearance, design, and right-of-way acquisition), construction projects and other miscellaneous programs, allowed the department to improve 2,101 lane miles of pavement and repair or replace 227 bridges.

MDOT delivered on a robust year of construction with \$644 million in Rebuilding Michigan Program bond jobs on top of its regular program.

The total Highway Capital Program investment contributed to Michigan's economy by supporting 34,176 jobs. Highlights of the program include pavement preservation activities, such as road rehabilitation, reconstruction, resurfacing, and preventive maintenance work totaling \$1.5 billion. Bridge preservation activities, including rehabilitation, reconstruction, and preventive maintenance, totaled \$476 million in investment. An expenditure of \$444 million on routine maintenance covered ongoing activities such as pothole filling, snow plowing, sweeping, and grass cutting. The remaining investment of a combined \$369 million covered Trunkline Modernization, System Operations, Traffic and Safety, and other essential programs.

MDOT continues its focus on the preservation of existing public transportation services. This was done by distributing \$201.7 million in Comprehensive Transportation Fund (CTF) monies and allocating \$57 million in federal operating, capital, and emergency relief funds for local transit operations. Also allocated was \$37.9 million in CTF monies to match federal capital funds of \$151.6 million. Additionally, the Office of Passenger Transportation (OPT) provided \$10.4 million in 100% state capital for transit ferryboat and bus replacements, and \$9 million in state funds for service initiatives around the state for the following initiatives: a pilot service to connect downtown Detroit with the Detroit Metropolitan Wayne County Airport; launching mobility wallet demonstration projects to facilitate passenger payments for transportation services in several regions around the state; expansion of on-demand transit service in Calhoun County; and assistance in writing an application for a federal SMART grant, which resulted in \$1.3 million grant awarded to improve access to rural transit.

Funding for intercity services was provided at \$2.3 million from the CTF and \$6 million in federal operating and capital to maintain intercity bus services in nearly 101 Michigan communities on 33 routes to enhance both customer and carrier safety. Customer service and safety were also the focus of OPT/MDOT's ongoing safety certification of private motor bus carriers as required in P.A. 432. Those services were provided to 147 carriers and 1,316 vehicles.

MDOT made targeted capital investments designed to maintain efficient freight service on the 530 miles of state-owned freight rail lines operated, under contract, by four railroad companies. Projects were undertaken to help ensure continued rail access to shippers and enhance the safety and efficiency of the lines. MDOT invested \$1.1 million in these lines during FY2023. Through the Freight Economic Development Program, MDOT approved four projects, investing \$4.1 million to provide rail access for new and expanding businesses at locations across the state. Under a new program, the Michigan Rail Enhancement Program (M-REP), MDOT awarded 14 grants totaling \$20.7 million for rail infrastructure improvements. 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 26 grade crossing safety enhancement projects on roads under county, city, or village jurisdiction and 16 crossing projects on state trunklines, investing a total of \$11.5 million in dedicated federal and state crossing safety funds in the interest of motorist safety. State and federal dollars totaling \$300,000 were provided to a local road authority for enhancing safety by closing a road at a crossing. An additional 44 projects were approved for funding under the Local Grade Crossing Surface Improvement Program; MDOT's 60% project share totaled \$3.4 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 \$32.6 million in CTF monies to support passenger rail operations along the Wolverine, Pere Marquette, and Blue Water routes. In addition, MDOT continued to invest CTF dollars in maintenance activities and infrastructure upgrades to benefit both passengers and freight users along MDOT's 135-mile accelerated rail corridor between Kalamazoo and Dearborn. Investments of state and federal dollars totaling over \$43 million supported efforts to maintain a state of good repair and, together with federal grant dollars, set the stage for higher-speed service and reduced passenger travel times. Capital projects during FY2023 included upgrading track infrastructure and continuing a large bridge replacement project.

The Federal Aviation Administration (FAA) Airport Improvement Program enables projects to be undertaken at Michigan airports that are part of the National Plan of Integrated Airport Systems (NPIAS). These projects improve the 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 \$119 million in 2023 AIP Federal Grant funding; \$88.7 million for Michigan's primary airports and \$30.3 million for Michigan's State Block Program 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.

The IIJA is a once-in-a-generation investment in America's transportation network. It will modernize infrastructure, increase equity in transportation, help fight climate change, strengthen the supply chain, and create jobs. The FAA will invest \$25 billion over fiscal years 2022 through 2026 to achieve this. In FY 2023, FAA announced Airport Infrastructure Grants allocations for 90 Michigan NPIAS airports totaling \$71.5 million. Funding was also announced for Michigan airports for the two competitive grant

programs: \$1.5 million for the Federal Contract Tower Program and \$13.7 million for the Airport Terminals Program.

CONCLUSION

During the year, \$6.5 billion was expended from all revenue sources to address Michigan's transportation needs. This included \$3.1 billion for the benefit of local governments. 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,

E-SIGNED by PATRICK MCCARTHY
on 2024-03-27 14:26:13 EDT

Patrick McCarthy, CPA
Director
Bureau of Finance and Administration

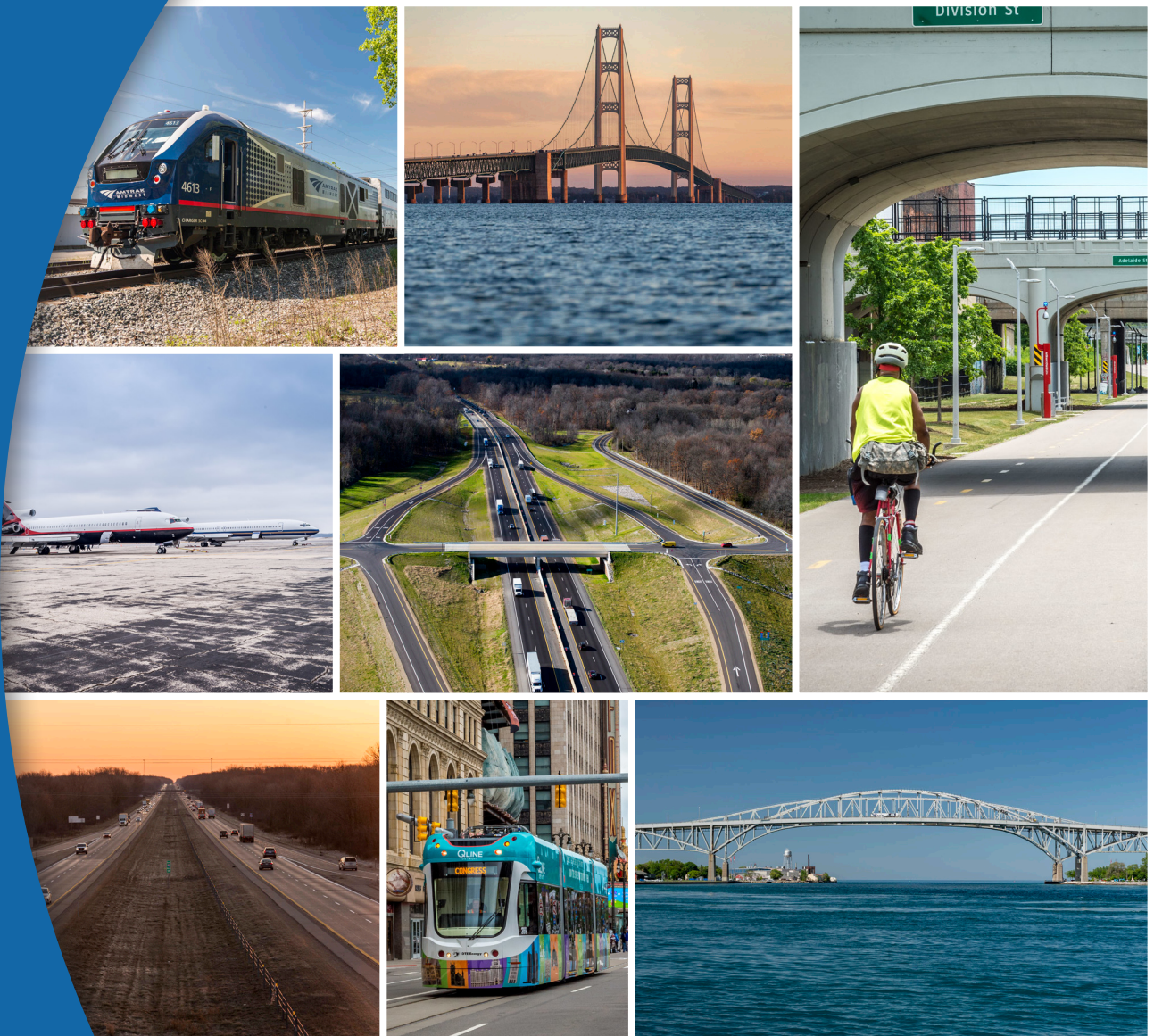


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2023

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, 2023 and 2022
(In Thousands)**

GOVERNMENTAL FUND TYPES					
	SPECIAL REVENUE		DEBT SERVICE		
	2023	2022	2023	2022	
ASSETS					
Current Assets:					
Cash and cash equivalents	\$ 4,566	\$ 3,817	\$ -	\$ -	
Equity in Common Cash	731,170	618,186	-	2	
Receivables:					
Taxes, interest, and penalties (at net)	146,326	137,071	-	-	
Other funds	82,000	48,942	-	-	
Component Units	-	-	-	-	
Federal aid	55,580	39,936	-	-	
Local units	746	49	-	-	
Inventories	-	-	-	-	
Other Current Assets	10,174	7,836	-	-	
Total Current Assets	1,030,562	855,838	-	2	
Noncurrent Assets:					
Receivables:					
Taxes	3,555	3,873	-	-	
Federal aid	-	-	-	-	
Local units	-	-	-	-	
Advances to other funds	-	-	-	-	
Land contracts	-	-	-	-	
Miscellaneous	1,176	-	-	-	
Total Noncurrent Assets	4,732	3,873	-	-	
Total Assets	\$ 1,035,293	\$ 859,710	\$ -	\$ 2	
LIABILITIES AND FUND BALANCES					
Current Liabilities:					
Warrants outstanding	\$ -	\$ -	\$ -	\$ -	
Accounts payable	526,264	458,712	-	2	
Contract reserve payable	-	-	-	-	
Due to other funds and Components	69,501	39,060	-	-	
Amounts held for others	-	-	-	-	
Unearned revenue	2	1	-	-	
Total Current Liabilities	595,767	497,773	-	2	
Long-Term Liabilities:					
Unearned revenue	31	1	-	-	
Total Long-Term Liabilities	31	1	-	-	
Total Liabilities	595,798	497,774	-	2	
DEFERRED INFLOWS OF RESOURCES	11,892	21,208	-	-	
Fund Balance:					
Nonspendable	-	-	-	-	
Restricted	427,603	340,728	-	-	
Committed	-	-	-	-	
Assigned	-	-	-	-	
Total Fund Balances	427,603	340,728	-	-	
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 1,035,293	\$ 859,710	\$ -	\$ 2	

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

CAPITAL PROJECTS		TOTALS	
2023	2022	2023	2022
\$ 66	\$ 55	\$ 4,632	\$ 3,873
3,254,568	2,569,200	3,985,738	3,187,388
1,099	517	147,425	137,588
62,855	36,373	144,855	85,314
1,626	1,598	1,626	1,598
335,173	255,984	390,753	295,920
134,515	103,288	135,262	103,337
14,057	13,734	14,057	13,734
11,419	12,154	21,593	19,991
3,815,378	2,992,903	4,845,940	3,848,742
7	1	3,562	3,873
-	-	-	-
47,778	49,000	47,778	49,000
-	-	-	-
-	-	-	-
10,222	10,726	11,398	10,726
58,006	59,726	62,738	63,599
\$ 3,873,385	\$ 3,052,629	\$ 4,908,678	\$ 3,912,341
\$ -	\$ -	\$ -	\$ -
571,870	481,455	1,098,134	940,168
-	-	-	-
78,264	48,871	147,765	87,931
-	-	-	-
1,714	1,765	1,716	1,766
651,849	532,090	1,247,616	1,029,865
8	11	39	12
8	11	39	12
651,857	532,101	1,247,655	1,029,877
10,833	11,279	22,725	32,487
14,117	13,734	14,117	13,734
3,196,578	2,495,515	3,624,181	2,836,243
-	-	-	-
-	-	-	-
3,210,695	2,509,249	3,638,298	2,849,977
\$ 3,873,385	\$ 3,052,629	\$ 4,908,678	\$ 3,912,341

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, 2023 and 2022
(In Thousands)

	GOVERNMENTAL FUND TYPES			
	SPECIAL REVENUE		DEBT SERVICE	
	2023	2022	2023	2022
REVENUES				
Taxes	\$ 3,733,360	\$ 3,576,317	\$ -	\$ -
Federal aid	101,910	86,527	-	-
Local participation	-	-	-	-
Services	5,635	4,958	-	-
License and permits	34,781	36,159	-	-
Interest earnings	28,723	3,413	-	-
Non-operating revenue-bridges	-	-	-	-
Miscellaneous	7,915	6,148	3	3
Total Revenues	3,912,324	3,713,522	3	3
EXPENDITURES				
Administration and Operations:				
Administration and maintenance	22,519	44,329	-	-
Bus operating assistance grants	239,782	202,165	-	-
Other grants	2,158,201	2,008,130	-	-
Airport development	-	-	-	-
Non-operating expenditures-bridges	-	-	-	-
Trust fund construction activity	-	-	-	-
Capital lease payments	-	4	-	-
Costs of issuance	-	-	3	3
Bond principal retirement	-	-	125,155	150,865
Bond interest and fiscal charges	-	-	100,145	96,975
Total Administration and Operations	2,420,503	2,254,629	225,304	247,843
Capital Outlay:				
Roads and bridges	-	-	-	-
Other capital outlay	975	25	-	-
Total Capital Outlay	975	25	-	-
Total Expenditures	2,421,478	2,254,654	225,304	247,843
Excess of Revenues Over (Under) Expenditures	1,490,846	1,458,868	(225,300)	(247,840)
OTHER FINANCING SOURCES				
Capital Lease Acquisitions	-	-	-	-
Proceeds from sale of capital assets	-	-	-	-
Proceeds from bond issues other than refunding	-	-	-	-
Michigan Transportation Fund distribution	274,313	256,853	-	-
Grants and transfers from other funds	103,749	70,785	225,300	247,809
Proceeds from bonds and notes issued	-	-	-	-
Premium on bonds issued	-	-	-	-
Total Other Financing Sources	378,062	327,638	225,300	247,809
OTHER FINANCING USES				
Michigan Transportation Fund distribution	1,541,659	1,456,096	-	-
Grants and transfers to other funds	238,908	241,061	-	-
Discount on bonds issued	-	-	-	-
Debt service	1,467	10,900	-	-
Payment to refunded bond escrow agent	-	-	-	-
Total Other Financing Uses	1,782,033	1,708,058	-	-
Excess of Other Financing Sources Over (Under) Other Financing Uses	(1,403,971)	(1,380,419)	225,300	247,809
Excess of Revenue and Other Sources Over (Under) Expenditures and Other Uses	86,875	78,449	-	(30)
Fund balances-Beginning of fiscal year	Note 1 340,728	262,279	-	30
Fund balances-End of fiscal year	\$ 427,603	\$ 340,728	\$ -	\$ -

Note 1: Beginning Fund Balance of FY22 CTF (Special Revenue) was restated by \$20,441,974.88

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

		TOTALS (Memorandum Only)	
CAPITAL PROJECTS			
2023	2022	2023	2022
\$ 18,299	\$ 13,692	\$ 3,751,659	\$ 3,590,009
1,796,167	1,572,696	1,898,077	1,659,223
11,749	21,731	11,749	21,731
4,259	3,844	9,894	8,802
17,536	17,839	52,317	53,997
97,666	15,832	126,389	19,245
3,045	3,433	3,045	3,433
68,966	76,509	76,884	82,660
2,017,687	1,725,574	5,930,015	5,439,099
780,750	765,596	803,270	809,926
-	-	239,782	202,165
210,467	219,294	2,368,669	2,227,424
145,119	107,763	145,119	107,763
3,557	3,246	3,557	3,246
381,130	338,748	381,130	338,748
72,286	2,706	72,286	2,710
-	-	3	3
-	-	125,155	150,865
-	-	100,145	96,975
1,593,310	1,437,353	4,239,116	3,939,825
2,342,493	2,068,219	2,342,493	2,068,219
10,620	10,685	11,595	10,710
2,353,114	2,078,904	2,354,089	2,078,929
3,946,424	3,516,257	6,593,205	6,018,754
(1,928,736)	(1,790,683)	(663,191)	(579,654)
87,261	248,608	87,261	248,608
3,218	2,095	3,218	2,095
-	-	-	-
1,267,345	1,199,243	1,541,659	1,456,096
198,837	252,383	527,886	570,978
1,193,645	-	1,193,645	-
109,427	-	109,427	-
2,859,733	1,702,329	3,463,095	2,277,777
-	-	1,541,659	1,456,096
5,717	56,122	244,624	297,184
-	-	-	-
223,834	236,910	225,300	247,809
-	-	-	-
229,550	293,032	2,011,583	2,001,089
2,630,182	1,409,297	1,451,512	276,687
701,446	(381,386)	788,321	(302,967)
2,509,249	2,890,635	2,849,977	3,152,944
\$ 3,210,695	\$ 2,509,249	\$ 3,638,298	\$ 2,849,977



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Michigan Department of Transportation
Notes to the Financial Statements
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MICHIGAN DEPARTMENT OF TRANSPORTATION
NOTES TO FINANCIAL STATEMENTS
FISCAL YEAR ENDED SEPTEMBER 30, 2023

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, 2023

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, 2022 and fiscal year ending December 31, 2021 follows (In Thousands):

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Assets	\$7,755	\$8,868
Liabilities	3,693	4,434
Total Fund Balance	4,062	4,434
Total Revenues and Other Sources	8,129	8,237
Total Expenditures and Other Uses	8,501	6,554
Excess of Revenues and Other Sources		
Over (Under) Expenditures and Other Uses	(372)	1,683

MICHIGAN DEPARTMENT OF TRANSPORTATION
NOTES TO FINANCIAL STATEMENTS
FISCAL YEAR ENDED SEPTEMBER 30, 2023

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
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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 as of September 30 (In Thousands):

	<u>Special Revenue Funds</u>		<u>Debt Service Funds</u>		<u>Capital Projects Funds</u>	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Equity in Common Cash	\$731,170	\$618,186	\$ -	\$ 2	\$3,254,568	\$2,569,200

The balances for the special revenue funds averaged approximately \$617.5 million and \$522.6 million and the balances for the capital projects funds averaged approximately \$2,205.5 million and \$2,587.8 million during fiscal years 2023 and 2022, respectively.

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

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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, 2023 and 2022 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>2023</u>	<u>2022</u>
State Trunkline Fund	\$ 1,373	\$ 1,018
Comprehensive Transportation Fund	<u>1</u>	<u>-</u>
Total Allowance for Doubtful Accounts	<u>\$ 1,374</u>	<u>\$ 1,018</u>

B. Taxes Receivable

In the Michigan Transportation Fund, the gross amount of current taxes receivable, \$186.5 million and \$147.6 million, less allowances for uncollectible receivables, \$40.7 million and \$22.4 million result in net taxes receivable of \$145.8 million and \$125.2 million, being recorded for motor fuel taxes due to the fund as of September 30, 2023 and 2022, respectively.

In the State Aeronautics Fund, the gross amount of current taxes receivable, \$9.2 million and \$3.2 million, less allowances for uncollectible receivables, \$8.1 million and \$2.6 million result in net taxes receivable of \$1.1 million and \$0.5 million, being recorded for aviation fuel taxes due to the fund as of September 30, 2023 and 2022, 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 \$254.1 million and \$171.3 million for the fiscal years ending September 30, 2023 and 2022, respectively. No noncurrent federal aid receivables were recorded for the fiscal years ending September 30, 2023 and 2022.

MICHIGAN DEPARTMENT OF TRANSPORTATION
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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.

Governmental Accounting Standards Board (GASB) Statement No. 87, Leases, establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. With the implementation of this Statement, MDOT recognizes right-to-use assets on leases where MDOT is the lessee. For more information on the reporting of capital assets under this Statement, see Note 4 of the SOMACFR.

MDOT is the lessor in various capital asset lease arrangements. During the fiscal year, MDOT received \$0.9 million and \$0.2 million for lease revenue and interest revenue.

Classification: The following tables summarize, by major class of asset, fiscal year 2023 changes in reported costs for MDOT’s capital assets (In Millions):

Changes in Capital Assets
Fiscal Year 2023

	Beginning Balance	Additions	Deletions	Ending Balance
<u>Capital assets, not depreciated:</u>				
Roads	\$11,287.9	\$1,101.0	(\$431.9)	\$11,957.0
Land	3,176.2	13.6	-	3,189.8
Bridges	3,068.3	182.2	(40.4)	3,210.1
Construction in Progress	3,863.2	1,338.8	(1,269.6)	3,932.3
Computer Software Projects in Progress	-	-	-	-
Land Rights	0.6	-	-	0.6
<u>Capital assets, depreciated:</u>				
Equipment	187.6	20.1	(4.7)	202.9
Buildings	176.2	-	(0.4)	175.8
Blue Water Bridge Infrastructure	35.9	-	-	35.9
Railroads	173.7	-	-	173.7
Rest Areas & Welcome Centers	120.1	1.2	-	121.3
Land Improvements	53.8	-	-	53.8

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Airports	1.8	-	-	1.8
Computer Software Project	10.5	-	-	10.5
Locomotives	83.9	-	-	83.9
Rail Coach Cars	6.5	48.6	-	55.1
Right-to-use leased buildings	4.4	-	(0.2)	4.2
Right-to-use leased equipment	3.1	-	(0.6)	2.4
<u>Less accumulated depreciation for:</u>				
Equipment	(110.9)	(10.0)	4.0	(116.9)
Buildings	(102.2)	(4.2)	0.3	(106.1)
Blue Water Bridge Infrastructure	(17.9)	(1.2)	-	(19.1)
Railroad	(67.0)	(4.0)	-	(71.0)
Rest Area & Welcome Center	(58.8)	(2.6)	-	(61.4)
Land Improvements	(21.3)	(2.6)	-	(23.9)
Airports	(1.2)	(0.1)	-	(1.2)
Computer Software Project	(4.0)	(1.7)	-	(5.8)
Locomotives	(19.7)	(4.2)	-	(23.9)
Rail Coach Cars	(0.2)	(1.3)	-	(1.6)
Right-to-use buildings	(0.8)	(0.6)	0.2	(1.2)
Right-to-use equipment	<u>(1.0)</u>	<u>(0.8)</u>	<u>0.3</u>	<u>(1.5)</u>
Total Capital Assets	<u>\$21,848.6</u>	<u>\$2,672.1</u>	<u>(\$1,743.1)</u>	<u>\$22,777.6</u>

- B. Funding Source: Following is a summary of funding sources for investments in capital assets as of September 30, 2023 (In Millions):

<u>Fund</u>	<u>Investment</u>
State Trunkline Fund	\$ 22,534.1
Comprehensive Transportation Fund	225.6
State Aeronautics Fund	<u>17.8</u>
Total Investment in Capital Assets	<u>\$ 22,777.6</u>

MICHIGAN DEPARTMENT OF TRANSPORTATION
NOTES TO FINANCIAL STATEMENTS
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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	9/30/23	9/30/22	First	Last	Interest
				Year	Year	Rate % ⁽¹⁾
<u>Comprehensive Transportation Fund Bonds</u>						
Series 2005 (Refunding)	\$ 62,180	\$ -	\$ 1,000	2009	2023	5.25
Series 2013 (Refunding)	10,130	-	1,540	2014	2023	4.70
Series 2015 (Refunding)	29,380	22,515	22,515	2017	2031	4.89
Total Comprehensive Transportation Fund Bonds	\$ 101,690	\$ 22,515	\$ 25,055			
<u>State Trunkline Fund Bonds</u>						
Series 2015 (Refunding)	54,055	-	54,055	2023	2023	4.84
Series 2020A (Refunding)	103,485	25,870	36,385	2021	2027	5.00
Series 2020B	800,000	790,000	790,000	2021	2046	4.55
Series 2021A	800,000	785,000	800,000	2023	2047	4.35
Series 2021B (Refunding)	54,150	51,665	54,150	2023	2037	4.91
Series 2023	1,193,645	1,193,645	-	2025	2050	5.12
Total State Trunkline Fund Bonds	\$ 3,005,335	\$ 2,846,180	\$ 1,734,590			
<u>Grant Anticipation Bonds</u>						
Series 2016 (Refunding)	607,110	442,675	483,235	2018	2027	4.97
Total Grant Anticipation Bonds	\$ 607,110	\$ 442,675	\$ 483,235			
Total Revenue Dedicated Bonded Debt	\$ 3,714,135	\$ 3,311,370	\$ 2,242,880			

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

MICHIGAN DEPARTMENT OF TRANSPORTATION
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B. Advance Refundings and Defeasances

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

There are no defeased bonds outstanding at September 30, 2023 or 2022.

C. Debt Service Requirements

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

FISCAL YEARS ENDING	STATE TRUNKLINE FUND			COMPREHENSIVE TRANSPORTATION FUND			GRANT ANTICIPATION BONDS			COMBINED TOTAL		
	PRINCIPAL	INTEREST	TOTAL	PRINCIPAL	INTEREST	TOTAL	PRINCIPAL	INTEREST	TOTAL	PRINCIPAL	INTEREST	TOTAL
SEPTEMBER 30												
2024	28,675	114,160	142,835	2,555	1,062	3,617	95,020	19,758	114,778	126,250	134,980	261,230
2025	37,370	132,544	169,914	2,685	931	3,616	101,505	14,845	116,350	141,560	148,320	289,880
2026	26,900	130,937	157,837	2,825	793	3,618	119,095	9,330	128,425	148,820	141,060	289,880
2027	26,425	129,604	156,029	2,970	648	3,618	127,055	3,176	130,231	156,450	133,428	289,878
2028	75,300	127,061	202,361	3,120	496	3,616	-	-	-	78,420	127,557	205,977
2029	79,160	123,199	202,359	3,280	336	3,616	-	-	-	82,440	123,535	205,975
2030	83,220	119,140	202,360	3,450	168	3,618	-	-	-	86,670	119,307	205,977
2031	87,490	114,872	202,362	1,630	41	1,671	-	-	-	89,120	114,913	204,033
2032	91,975	110,385	202,360	-	-	-	-	-	-	91,975	110,385	202,360
2033	96,690	105,669	202,359	-	-	-	-	-	-	96,690	105,669	202,359
2034	101,650	100,710	202,360	-	-	-	-	-	-	101,650	100,710	202,360
2035	106,860	95,497	202,357	-	-	-	-	-	-	106,860	95,497	202,357
2036	112,340	90,017	202,357	-	-	-	-	-	-	112,340	90,017	202,357
2037	117,880	84,480	202,360	-	-	-	-	-	-	117,880	84,480	202,360
2038	123,240	79,119	202,359	-	-	-	-	-	-	123,240	79,119	202,359
2039	128,635	73,726	202,361	-	-	-	-	-	-	128,635	73,726	202,361
2040	134,280	68,081	202,361	-	-	-	-	-	-	134,280	68,081	202,361
2041	140,210	62,149	202,359	-	-	-	-	-	-	140,210	62,149	202,359
2042	146,490	55,871	202,361	-	-	-	-	-	-	146,490	55,871	202,361
2043	153,215	49,144	202,359	-	-	-	-	-	-	153,215	49,144	202,359
2044	160,380	41,981	202,361	-	-	-	-	-	-	160,380	41,981	202,361
2045	168,105	34,256	202,361	-	-	-	-	-	-	168,105	34,256	202,361
2046	176,040	26,319	202,359	-	-	-	-	-	-	176,040	26,319	202,359
2047	184,145	18,212	202,357	-	-	-	-	-	-	184,145	18,212	202,357
2048	81,885	11,777	93,662	-	-	-	-	-	-	81,885	11,777	93,662
2049	86,415	7,243	93,658	-	-	-	-	-	-	86,415	7,243	93,658
2050	91,205	2,457	93,662	-	-	-	-	-	-	91,205	2,457	93,662
TOTAL	\$2,846,180	\$2,108,609	\$4,954,789	\$22,515	\$4,475	\$26,990	\$442,675	\$47,110	\$489,785	\$3,311,370	\$2,160,193	\$5,471,563

MICHIGAN DEPARTMENT OF TRANSPORTATION
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D. Other General Long-Term Obligations

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).

MICHIGAN DEPARTMENT OF TRANSPORTATION
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E. Changes in General Long-term Obligations:

Changes in general long-term obligations for the fiscal years ended September 30, 2023 and 2022 are summarized as follows (In Thousands):

	Revenue Dedicated Debt - <u>Oversight Entity</u>	
	<u>2023</u>	<u>2022</u>
Balance – Beginning	\$ 2,242,880	\$ 2,393,745
New bond issues	1,193,645	-
Appreciation Bonds	-	-
Bond principal retirements	<u>(125,155)</u>	<u>(150,865)</u>
Balance – Ending	\$ <u><u>3,311,370</u></u>	\$ <u><u>2,242,880</u></u>

	Claims and <u>Judgments</u>		Compensated <u>Absences Liabilities</u>	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Balance - Beginning	\$ 481	\$ 337	\$ 30,206	\$ 30,130
Net increase (decrease) in estimated liabilities	<u>159</u>	<u>144</u>	<u>3,077</u>	<u>76</u>
Balance - Ending	\$ <u><u>640</u></u>	\$ <u><u>481</u></u>	\$ <u><u>33,283</u></u>	\$ <u><u>30,206</u></u>

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Note 6: Vendor Financing

MDOT uses long term vendor financing to acquire capital assets. Contracts that transfer ownership of the underlying assets to MDOT by the end of the contract term and do not contain unconditional termination options (but may include fiscal funding clauses that are not reasonably certain of being exercised) are classified as financed purchases of the assets. Other contracts that convey control of the right to use other entities' nonfinancial assets to MDOT are classified as leases. For more detailed information regarding vendor financing, refer to Note 12 of the SOMACFR.

MDOT's financed purchases include 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.

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. MDOT's lessee activity also includes leasing various pieces of equipment.

Changes in vendor financing obligations for the fiscal year ended September 30, 2023 are summarized as follows (In Thousands):

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>
Governmental Activities:				
Leases	\$ 5,674	\$ -	\$ 1,811	\$ 3,863
Financed purchases	<u>681,925</u>	<u>87,261</u>	<u>4,144</u>	<u>765,042</u>
Total Governmental Activities	<u>\$ 687,599</u>	<u>\$ 87,261</u>	<u>\$ 5,955</u>	<u>\$ 768,905</u>

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Summary of lease commitments to maturity for fiscal year 2023 follows (In Thousands):

Fiscal Year Ended September 30	Leases		
	Principal	Interest	Total
2024	\$ 1,401	\$ 35	\$ 1,436
2025	582	25	607
2026	504	19	523
2027	466	14	480
2028	343	9	352
2029-2033	567	10	577
Total	<u>\$ 3,863</u>	<u>\$ 112</u>	<u>\$ 3,975</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.

Summary of financed purchase commitments to maturity for fiscal year 2023 follows (In Thousands):

Fiscal Year Ended September 30	Financed Purchases		
	Principal	Interest	Total
2024	\$ 32,576	\$ 38,190	\$ 70,765
2025	17,514	36,989	54,503
2026	20,817	36,146	56,963
2027	19,665	35,223	54,888
2028	20,756	34,321	55,077
2029-2033	111,466	155,755	267,221
2034-2038	132,581	125,433	258,014
2039-2043	186,136	84,413	270,549
2044-2048	223,532	31,504	255,036
Thereafter	-	-	-
Total	<u>\$765,042</u>	<u>\$577,974</u>	<u>\$1,343,015</u>

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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>2023</u>	<u>2022</u>
State Trunkline Fund	\$84,716	\$84,458
Comprehensive Transportation Fund	2,277	2,193
State Aeronautics Fund	1,421	1,357
Blue Water Bridge	<u>1,037</u>	<u>979</u>
Total Department of Transportation Contributions	<u>\$89,451</u>	<u>\$88,987</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.

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The following table summarizes Department of Transportation related compensated absences liabilities as of September 30, 2023 and 2022 (In Thousands):

	<u>Sick Leave</u>		<u>Annual Leave</u>		<u>Banked Leave</u>		<u>Total</u>	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
State Trunkline Fund	\$817	\$981	\$28,063	\$25,047	\$2,442	\$2,433	\$31,321	\$28,461
Comprehensive Transportation Fund	119	110	866	779	102	97	1087	987
State Aeronautics Fund	109	101	492	421	37	40	639	562
Blue Water Bridge	<u>-</u>	<u>-</u>	<u>231</u>	<u>191</u>	<u>5</u>	<u>5</u>	<u>236</u>	<u>196</u>
TOTAL	<u>\$1,045</u>	<u>\$1,192</u>	<u>\$29,652</u>	<u>\$26,439</u>	<u>\$2,586</u>	<u>\$2,575</u>	<u>\$33,283</u>	<u>\$30,206</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.

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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 2023 and 2022 (In Thousands).

<u>Interfund Transactions</u>	<u>2023</u>	<u>2022</u>
MTF Distribution – STF	\$1,267,372	\$1,199,269
MTF Distribution – CTF	274,313	256,853
Other State agencies	49,451	48,543
Debt Service	50,000	50,000
Economic Development Program	40,275	40,275
Local Road Program	33,000	33,000
Local Bridge Fund	23,870	29,133
Transportation Planning	11,218	11,263
Design and Engineering Services	16,998	15,621
Rail Grade Crossing Program	3,000	3,000
Rail Grade Crossing – Surface Improvements	3,000	3,000
Freight and Safety Services	2,140	1,353
Finance, Contracts and Support Services	1,690	1,661
Enhancement Program	871	850
Moveable Bridge Program	5,858	5,553
Local Agency Wetlands Mitigation Fund	2,000	2,000
	<u>\$1,785,057</u>	<u>\$1,701,374</u>

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FISCAL YEAR ENDED SEPTEMBER 30, 2023

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 \$17,806,172 between fiscal years 1993 and 2023 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 \$45,193,828 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, 2023, a current receivable of \$1,625,791 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, 2023

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, 2023 and 2022, 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, 2023 and 2022, the balances remaining on these contracts equaled \$3,355.3 million and \$3,173.8 million, respectively. Portions of these balances, \$237.6 million as of September 30, 2023, and \$244.0 million as of September 30, 2022, 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 \$35.8 million as of September 30, 2023.

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 \$173.2 million as of September 30, 2023.

MICHIGAN DEPARTMENT OF TRANSPORTATION
NOTES TO FINANCIAL STATEMENTS
FISCAL YEAR ENDED SEPTEMBER 30, 2023

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 2023, MDOT had \$328.7 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 2022, MDOT had \$409.1 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.

MICHIGAN DEPARTMENT OF TRANSPORTATION
NOTES TO FINANCIAL STATEMENTS
FISCAL YEAR ENDED SEPTEMBER 30, 2023

Note 11: Subsequent Events

There are no known subsequent events to report for fiscal year 2023.



FUND DESCRIPTIONS

COMBINING FINANCIAL STATEMENTS
AND
SCHEDULES

MICHIGAN DEPARTMENT OF TRANSPORTATION
DESCRIPTIONS OF SPECIAL REVENUE FUNDS
FISCAL YEAR ENDED SEPTEMBER 30, 2023

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, 2023 and 2022
(In Thousands)

	MICHIGAN TRANSPORTATION FUND		COMPREHENSIVE TRANSPORTATION FUND		TOTALS	
	2023	2022	2023	2022	2023	2022
ASSETS						
Current Assets:						
Cash and cash equivalents	\$ 4,566	\$ 3,817	\$ -	\$ -	\$ 4,566	\$ 3,817
Equity in Common Cash	335,091	285,720	396,078	332,467	731,170	618,186
Receivables:						
Taxes, interest, and penalties (at net)	144,971	135,835	1,356	1,237	146,326	137,071
Other funds	-	-	82,000	48,942	82,000	48,942
Component Units	-	-	-	-	-	-
Federal aid	-	-	55,580	39,936	55,580	39,936
Local units	-	-	746	49	746	49
Inventories	-	-	-	-	-	-
Other Current Assets	7,678	6,426	2,496	1,411	10,174	7,836
	<u>492,306</u>	<u>431,797</u>	<u>538,256</u>	<u>424,041</u>	<u>1,030,562</u>	<u>855,838</u>
Noncurrent Assets:						
Receivables:						
Taxes	3,555	3,873	-	-	3,555	3,873
Federal aid	-	-	-	-	-	-
Local units	-	-	-	-	-	-
Advances to other funds	-	-	-	-	-	-
Land contracts	-	-	-	-	-	-
Miscellaneous	-	-	1,176	-	1,176	-
	<u>3,555</u>	<u>3,873</u>	<u>1,176</u>	<u>-</u>	<u>4,732</u>	<u>3,873</u>
Total Noncurrent Assets						
	<u>3,555</u>	<u>3,873</u>	<u>1,176</u>	<u>-</u>	<u>4,732</u>	<u>3,873</u>
Total Assets	\$ <u>495,861</u>	\$ <u>435,670</u>	\$ <u>539,432</u>	\$ <u>424,041</u>	\$ <u>1,035,293</u>	\$ <u>859,710</u>
LIABILITIES AND FUND BALANCES						
Current Liabilities:						
Warrants outstanding	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts Payable and Other Liabilities	416,033	375,781	110,231	82,930	526,264	458,712
Contract reserve payable	-	-	-	-	-	-
Amounts due to other funds	69,426	38,994	75	66	69,501	39,060
Amounts held for others	-	-	-	-	-	-
Unearned revenue	-	-	2	1	2	1
	<u>485,460</u>	<u>414,775</u>	<u>110,307</u>	<u>82,998</u>	<u>595,767</u>	<u>497,773</u>
Total Current Liabilities						
	<u>485,460</u>	<u>414,775</u>	<u>110,307</u>	<u>82,998</u>	<u>595,767</u>	<u>497,773</u>
Long-Term Liabilities:						
Unearned revenue	-	-	31	1	31	1
Total Long-Term Liabilities	<u>-</u>	<u>-</u>	<u>31</u>	<u>1</u>	<u>31</u>	<u>1</u>
Total Liabilities	<u>485,460</u>	<u>414,775</u>	<u>110,338</u>	<u>82,999</u>	<u>595,798</u>	<u>497,774</u>
DEFERRED INFLOWS OF RESOURCES	<u>10,401</u>	<u>20,894</u>	<u>1,491</u>	<u>314</u>	<u>11,892</u>	<u>21,208</u>
Fund Balances:						
Nonspendable	-	-	-	-	-	-
Restricted	-	-	427,603	340,728	427,603	340,728
Committed	-	-	-	-	-	-
Assigned	-	-	-	-	-	-
Total Fund Balances	<u>-</u>	<u>-</u>	<u>427,603</u>	<u>340,728</u>	<u>427,603</u>	<u>340,728</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ <u>495,861</u>	\$ <u>435,670</u>	\$ <u>539,432</u>	\$ <u>424,041</u>	\$ <u>1,035,293</u>	\$ <u>859,710</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
SPECIAL REVENUE FUNDS
FISCAL YEARS ENDED SEPTEMBER 30, 2023 and 2022
(In Thousands)

	MICHIGAN TRANSPORTATION FUND		COMPREHENSIVE TRANSPORTATION FUND		TOTALS	
	2023	2022	2023	2022	2023	2022
REVENUES						
Taxes	\$ 3,598,092	\$ 3,437,084	\$ 135,268	\$ 139,233	\$ 3,733,360	\$ 3,576,317
Federal aid	-	-	101,910	86,527	101,910	86,527
Local participation	-	-	-	-	-	-
Services	5,635	4,958	-	-	5,635	4,958
License and permits	34,559	35,935	222	224	34,781	36,159
Interest earnings on common cash	12,082	1,522	16,641	1,891	28,723	3,413
Non-operating revenue-bridges	-	-	-	-	-	-
Miscellaneous	250	250	7,665	5,898	7,915	6,148
Total Revenues	3,650,617	3,479,750	261,707	233,772	3,912,324	3,713,522
EXPENDITURES						
Administration and Operations:						
Administration and maintenance	5,410	4,864	17,110	39,465	22,519	44,329
Bus operating assistance grants	-	-	239,782	202,165	239,782	202,165
Other grants	1,967,169	1,847,808	191,032	160,322	2,158,201	2,008,130
Airport development	-	-	-	-	-	-
Non-operating expenditures-bridges	-	-	-	-	-	-
Trust fund construction activity	-	-	-	-	-	-
Capital lease payments	-	-	-	4	-	4
Total Administration and Operations	1,972,579	1,852,673	447,924	401,956	2,420,503	2,254,629
Capital Outlay:						
Roads and bridges	-	-	-	-	-	-
Other capital outlay	-	-	975	25	975	25
Total Capital Outlay	-	-	975	25	975	25
Total Expenditures	1,972,579	1,852,673	448,899	401,981	2,421,478	2,254,654
Excess of Revenues Over (Under) Expenditures	1,678,039	1,627,077	(187,192)	(168,209)	1,490,846	1,458,868
OTHER FINANCING SOURCES						
Capital Lease Acquisitions	-	-	-	-	-	-
Proceeds from sale of capital assets	-	-	-	-	-	-
Michigan transportation fund distribution	-	-	274,313	256,853	274,313	256,853
Grants and transfers from other funds	101,609	69,433	2,140	1,353	103,749	70,785
Proceeds from bonds and notes issued	-	-	-	-	-	-
Premium on bonds issued	-	-	-	-	-	-
Total Other Financing Sources	101,609	69,433	276,453	258,206	378,062	327,638
OTHER FINANCING USES						
Michigan transportation fund distribution	1,541,659	1,456,096	-	-	1,541,659	1,456,096
Grants and transfers to other funds	237,989	240,413	919	648	238,908	241,061
Discount on bonds issued	-	-	-	-	-	-
Debt service	-	-	1,467	10,900	1,467	10,900
Total Other Financing Uses	1,779,647	1,696,510	2,386	11,548	1,782,033	1,708,058
Excess of Other Financing Sources Over (Under) Other Financing Uses	(1,678,039)	(1,627,077)	274,068	246,658	(1,403,971)	(1,380,419)
Excess of Revenue and Other Sources Over (Under) Expenditures and Other Uses	-	-	86,875	78,449	86,875	78,449
Fund balances-Beginning of fiscal year	-	-	340,728	262,279	340,728	262,279
Fund balances-End of fiscal year	\$ -	\$ -	\$ 427,603	\$ 340,728	\$ 427,603	\$ 340,728

Beginning Fund Balance of FY22 CTF (Special Revenue) was restated by \$20,441,974.88
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, 2023
(In Thousands)

(Statutory/Budgetary Basis)	MICHIGAN TRANSPORTATION FUND		
	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
REVENUES			
Taxes	\$ 3,598,092	\$ 3,598,092	\$ -
Federal aid	-	-	-
Local participation	-	-	-
Services	5,635	5,635	-
License and permits	34,559	34,559	-
Interest earnings	12,082	12,082	-
Non-operating revenue-bridges	-	-	-
Miscellaneous and Service revenue	250	250	-
Total Revenues	3,650,617	3,650,617	-
EXPENDITURES AND ENCUMBRANCES			
Administration	5,414	5,383	31
Bus operating assistance grants	-	-	-
Other grants	1,967,169	1,967,169	-
Airport development	-	-	-
Nonoperating expenditure-bridges	-	-	-
Total Administration and Operations	1,972,583	1,972,552	31
Roads and bridges	-	-	-
Other capital outlay	-	-	-
Total Capital Outlay	-	-	-
Total Expenditures and Encumbrances	1,972,583	1,972,552	31
Excess of Revenue Over(Under) Expenditures and Encumbrances	1,678,034	1,678,065	31
OTHER FINANCING SOURCES			
Proceeds from sale of capital assets	-	-	-
Michigan transportation fund distribution	-	-	-
Grants and transfers from other funds	101,609	101,609	-
Total Financing Sources	101,609	101,609	-
OTHER FINANCING USES			
Michigan transportation fund distribution	1,541,686	1,541,685	-
Grants and transfers to other funds	243,130	237,989	5,141
Discount on bonds issued	-	-	-
Debt service	-	-	-
Total Financing Uses	1,784,816	1,779,674	5,141
Excess Other Financial Sources Over(Under) Other Financial Uses	(1,683,207)	(1,678,065)	5,141
Excess of Revenue and Other Financial Sources Over(Under) Expenditures, Encumbrances and Other Financial Uses	\$ (5,172)	-	\$ 5,172
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)
\$ 135,268	\$ 135,268	\$ -	\$ 3,733,360	\$ 3,733,360	\$ -
101,910	101,910	-	101,910	101,910	-
-	-	-	-	-	-
-	-	-	5,635	5,635	-
222	222	-	34,781	34,781	-
16,641	16,641	-	28,723	28,723	-
-	-	-	-	-	-
7,665	7,665	-	7,915	7,915	-
261,707	261,707	-	3,912,324	3,912,324	-
20,973	17,370	3,603	26,387	22,753	3,634
242,565	242,512	53	242,565	242,512	53
424,824	415,778	9,046	2,391,993	2,382,947	9,046
-	-	-	-	-	-
-	-	-	-	-	-
688,362	675,660	12,702	2,660,945	2,648,212	12,733
-	-	-	-	-	-
975	975	-	975	975	-
975	975	-	975	975	-
689,337	676,635	12,702	2,661,920	2,649,187	12,733
(427,630)	(414,928)	12,702	1,250,404	1,263,137	12,733
-	-	-	-	-	-
274,313	274,313	-	274,313	274,313	-
2,140	2,140	-	103,749	103,749	-
276,453	276,453	-	378,062	378,062	-
-	-	-	1,541,686	1,541,685	-
250	169	81	243,380	238,157	5,223
-	-	-	-	-	-
1,467	1,467	-	1,467	1,467	-
1,717	1,635	82	1,786,532	1,781,309	5,223
274,737	274,818	82	(1,408,470)	(1,403,247)	5,223
\$ (152,893)	(140,110)	\$ 12,784	\$ (158,066)	(140,110)	\$ 17,956
	226,985			226,985	
	-			-	
	226,985			226,985	
	86,875			86,875	
	340,728			340,728	
\$ 427,603			\$ 427,603		

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, 2022
(In Thousands)

	MICHIGAN TRANSPORTATION FUND		
(Statutory/Budgetary Basis)	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
REVENUES			
Taxes	\$ 3,437,084	\$ 3,437,084	\$ -
Federal aid	-	-	-
Local participation	-	-	-
Services	4,958	4,958	-
License and permits	35,935	35,935	-
Interest earnings	1,522	1,522	-
Non-operating revenue-bridges	-	-	-
Miscellaneous and Service revenue	250	250	-
Total Revenues	3,479,750	3,479,750	-
EXPENDITURES AND ENCUMBRANCES			
Administration	4,862	4,838	24
Bus operating assistance grants	-	-	-
Other grants	1,847,809	1,847,808	-
Airport development	-	-	-
Nonoperating expenditure-bridges	-	-	-
Total Administration and Operations	1,852,671	1,852,646	24
Roads and bridges	-	-	-
Other capital outlay	-	-	-
Total Capital Outlay	-	-	-
Total Expenditures and Encumbrances	1,852,671	1,852,646	24
Excess of Revenue Over(Under) Expenditures and Encumbrances	1,627,079	1,627,103	24
OTHER FINANCING SOURCES			
Proceeds from sale of capital assets	-	-	-
Michigan transportation fund distribution	-	-	-
Grants and transfers from other funds	69,433	69,433	-
Total Financing Sources	69,433	69,433	-
OTHER FINANCING USES			
Michigan transportation fund distribution	1,456,123	1,456,123	-
Grants and transfers to other funds	243,074	240,413	2,661
Discount on bonds issued	-	-	-
Debt service	-	-	-
Total Financing Uses	1,699,197	1,696,536	2,661
Excess Other Financial Sources Over(Under) Other Financial Uses	(1,629,764)	(1,627,103)	2,661
Excess of Revenue and Other Financial Sources Over(Under) Expenditures, Encumbrances and Other Financial Uses	\$ (2,685)	-	\$ 2,685
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)
\$ 139,233	\$ 139,233	\$ -	\$ 3,576,317	\$ 3,576,317	\$ -
86,527	86,527	-	86,527	86,527	-
-	-	-	-	-	-
-	-	-	4,958	4,958	-
224	224	-	36,159	36,159	-
1,891	1,891	-	3,413	3,413	-
-	-	-	-	-	-
5,898	5,898	-	6,148	6,148	-
<u>233,772</u>	<u>233,772</u>	<u>-</u>	<u>3,713,522</u>	<u>3,713,522</u>	<u>-</u>
44,653	40,959	3,694	49,515	45,797	3,718
204,221	204,213	7	204,221	204,213	7
338,511	337,272	1,239	2,186,320	2,185,081	1,239
-	-	-	-	-	-
-	-	-	-	-	-
<u>587,385</u>	<u>582,444</u>	<u>4,940</u>	<u>2,440,055</u>	<u>2,435,091</u>	<u>4,965</u>
-	-	-	-	-	-
-	-	-	-	-	-
<u>587,385</u>	<u>582,444</u>	<u>4,940</u>	<u>2,440,055</u>	<u>2,435,091</u>	<u>4,965</u>
<u>(353,613)</u>	<u>(348,672)</u>	<u>4,940</u>	<u>1,273,466</u>	<u>1,278,431</u>	<u>4,965</u>
-	-	-	-	-	-
256,853	256,853	-	256,853	256,853	-
1,353	1,353	-	70,785	70,785	-
<u>258,206</u>	<u>258,206</u>	<u>-</u>	<u>327,638</u>	<u>327,638</u>	<u>-</u>
-	-	-	1,456,123	1,456,123	-
250	172	78	243,324	240,585	2,739
-	-	-	-	-	-
10,900	10,900	-	10,900	10,900	-
<u>11,150</u>	<u>11,072</u>	<u>78</u>	<u>1,710,347</u>	<u>1,707,608</u>	<u>2,739</u>
<u>247,056</u>	<u>247,134</u>	<u>78</u>	<u>(1,382,708)</u>	<u>(1,379,969)</u>	<u>2,739</u>
\$ <u>(106,557)</u>	\$ <u>(101,538)</u>	\$ <u>5,019</u>	\$ <u>(109,242)</u>	\$ <u>(101,538)</u>	\$ <u>7,704</u>
	179,987			179,987	
	-			-	
	<u>179,987</u>			<u>179,987</u>	
	78,449			78,449	
	<u>262,279</u>			<u>262,279</u>	
\$ <u><u>340,728</u></u>			\$ <u><u>340,728</u></u>		

MICHIGAN DEPARTMENT OF TRANSPORTATION
DESCRIPTIONS OF CAPITAL PROJECTS FUNDS
FISCAL YEAR ENDED SEPTEMBER 30, 2023

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, 2023**

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, \$800 million of the \$3.5 billion has 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, 2023**

2023 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, 2023, the third batch of bonds for \$1.2 billion closed. That brings the total to \$2.8 billion of the \$3.5 billion having been issued.

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.

MICHIGAN DEPARTMENT OF TRANSPORTATION
DESCRIPTIONS OF CAPITAL PROJECTS FUNDS
FISCAL YEAR ENDED SEPTEMBER 30, 2023

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.

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, 2023 and 2022
(In Thousands)

	STATE TRUNKLINE FUND (excluding Blue Water Bridge Fund)		BLUE WATER BRIDGE FUND	
	2023	2022	2023	2022
ASSETS				
Current Assets:				
Cash and cash equivalents	\$ 66	\$ 55	\$ -	\$ -
Equity in Common Cash	1,482,557	1,364,916	86,306	81,272
Receivables:				
Taxes, interest, and penalties (at net)	-	-	-	-
Other funds	62,855	36,373	-	-
Component Units	1,626	1,598	-	-
Federal aid	196,940	111,705	-	-
Local units	23,687	23,178	-	-
Inventories	14,057	13,734	-	-
Other Current Assets	10,508	11,299	833	770
 Total Current Assets	 1,792,296	 1,562,858	 87,139	 82,042
Noncurrent Assets:				
Receivables:				
Taxes	-	-	-	-
Federal aid	-	-	-	-
Local units	47,594	48,676	-	-
Advances to other funds	-	-	-	-
Land contracts	-	-	-	-
Miscellaneous	622	677	9,600	10,049
 Total Noncurrent Assets	 48,215	 49,353	 9,600	 10,049
 Total Assets	 \$ 1,840,511	 \$ 1,612,212	 \$ 96,739	 \$ 92,091
 LIABILITIES AND FUND BALANCES				
Current Liabilities:				
Warrants outstanding	\$ -	\$ -	\$ -	\$ -
Accounts Payable and Other Liabilities	314,240	252,917	1,606	1,456
Contract reserve payable	-	-	-	-
Amounts due to other funds	2,755	2,481	33	30
Amounts held for others	-	-	-	-
Unearned revenue	2	3	1,712	1,762
 Total Current Liabilities	 316,998	 255,401	 3,351	 3,247
Long-Term Liabilities:				
Unearned revenue	8	11	-	-
Total Long-Term Liabilities	8	11	-	-
 Total Liabilities	 317,006	 255,412	 3,351	 3,247
 DEFERRED INFLOWS OF RESOURCES	 677	 731	 10,149	 10,547
 Fund Balances:				
Nonspendable	14,117	13,734	-	-
Restricted	1,508,710	1,342,334	83,239	78,297
Committed	-	-	-	-
Assigned	-	-	-	-
 Total Fund Balances	 1,522,828	 1,356,069	 83,239	 78,297
 Total Liabilities, Deferred Inflows of Resources, and Fund Balances	 \$ 1,840,511	 \$ 1,612,212	 \$ 96,739	 \$ 92,091

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	
2023	2022	2023	2022	2023	2022
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
29,542	12,324	1,653,366	1,106,467	2,798	4,221
1,099	517	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
81,029	84,666	-	-	-	-
62	183	-	-	60	30
-	-	-	-	-	-
60	86	18	-	-	-
111,791	97,777	1,653,384	1,106,467	2,858	4,251
7	1	-	-	-	-
-	-	-	-	-	-
34	113	-	-	150	210
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
41	114	-	-	150	210
\$ 111,832	\$ 97,890	\$ 1,653,384	\$ 1,106,467	\$ 3,008	\$ 4,461
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
90,620	77,214	72,922	56,680	-	-
-	-	-	-	-	-
47	40	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
90,667	77,253	72,922	56,680	-	-
-	-	-	-	-	-
-	-	-	-	-	-
90,667	77,253	72,922	56,680	-	-
7	1	-	-	-	-
-	-	-	-	-	-
21,158	20,636	1,580,462	1,049,787	3,008	4,461
-	-	-	-	-	-
-	-	-	-	-	-
21,158	20,636	1,580,462	1,049,787	3,008	4,461
\$ 111,832	\$ 97,890	\$ 1,653,384	\$ 1,106,467	\$ 3,008	\$ 4,461

	TRANSPORTATION RELATED TRUST FUND		TOTALS	
	2023	2022	2023	2022
ASSETS				
Current Assets:				
Cash and cash equivalents	\$ -	\$ -	\$ 66	\$ 55
Equity in Common Cash	-	-	3,254,568	2,569,200
Receivables:				
Taxes, interest, and penalties (at net)	-	-	1,099	517
Other funds	-	-	62,855	36,373
Component Units	-	-	1,626	1,598
Federal aid	57,204	59,613	335,173	255,984
Local units	110,707	79,896	134,515	103,288
Inventories	-	-	14,057	13,734
Other Current Assets	-	-	11,419	12,154
 Total Current Assets	<u>167,910</u>	<u>139,509</u>	<u>3,815,378</u>	<u>2,992,903</u>
Noncurrent Assets:				
Receivables:				
Taxes	-	-	7	1
Federal aid	-	-	-	-
Local units	-	-	47,778	49,000
Advances to other funds	-	-	-	-
Land contracts	-	-	-	-
Miscellaneous	-	-	10,222	10,726
 Total Noncurrent Assets	<u>-</u>	<u>-</u>	<u>58,006</u>	<u>59,726</u>
 Total Assets	<u>\$ 167,910</u>	<u>\$ 139,509</u>	<u>\$ 3,873,385</u>	<u>\$ 3,052,629</u>
 LIABILITIES AND FUND BALANCES				
Current Liabilities:				
Warrants outstanding	\$ -	\$ -	\$ -	\$ -
Accounts Payable and Other Liabilities	92,482	93,189	571,870	481,455
Contract reserve payable	-	-	-	-
Amounts due to other funds	75,429	46,320	78,264	48,871
Amounts held for others	-	-	-	-
Unearned revenue	-	-	1,714	1,765
 Total Current Liabilities	<u>167,910</u>	<u>139,509</u>	<u>651,849</u>	<u>532,090</u>
Long-Term Liabilities:				
Unearned revenue	-	-	8	11
Total Long-Term Liabilities	<u>-</u>	<u>-</u>	<u>8</u>	<u>11</u>
 Total Liabilities	<u>167,910</u>	<u>139,509</u>	<u>651,857</u>	<u>532,101</u>
 DEFERRED INFLOWS OF RESOURCES	<u>-</u>	<u>-</u>	<u>10,833</u>	<u>11,279</u>
 Fund Balances:				
Nonspendable	-	-	14,117	13,734
Restricted	-	-	3,196,578	2,495,515
Committed	-	-	-	-
Assigned	-	-	-	-
 Total Fund Balances	<u>-</u>	<u>-</u>	<u>3,210,695</u>	<u>2,509,249</u>
 Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 167,910</u>	<u>\$ 139,509</u>	<u>\$ 3,873,385</u>	<u>\$ 3,052,629</u>



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MICHIGAN DEPARTMENT OF TRANSPORTATION
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
CAPITAL PROJECT FUNDS
FISCAL YEARS ENDED SEPTEMBER 30, 2023 and 2022
(In Thousands)

	STATE TRUNKLINE FUND (excluding Blue Water Bridge Fund)		BLUE WATER BRIDGE FUND	
	2023	2022	2023	2022
REVENUES				
Taxes	\$ -	\$ -	\$ -	\$ -
Federal aid	1,211,429	1,056,415	-	-
Local participation	11,744	21,725	-	-
Services	3,949	3,564	-	-
License and permits	17,106	17,367	-	-
Interest earnings on common cash	55,380	6,791	3,696	478
Non-operating revenue-bridges	3,045	3,433	-	-
Miscellaneous	41,920	45,568	20,653	25,149
Total Revenues	1,344,572	1,154,863	24,348	25,627
EXPENDITURES				
Administration and Operations:				
Administration and maintenance	762,329	750,779	7,313	6,275
Other grants	131,989	138,269	-	-
Airport development	-	-	-	-
Non-operating expenditures-bridges	3,557	3,246	-	-
Trust fund construction activity	-	-	-	-
Capital lease payments	72,286	2,704	-	-
Total Administration and Operations	970,161	894,998	7,313	6,275
Capital Outlay:				
Roads and bridges	1,524,225	1,408,046	8,067	7,152
Other capital outlay	10,188	10,524	-	-
Total Capital Outlay	1,534,413	1,418,569	8,067	7,152
Total Expenditures	2,504,574	2,313,568	15,381	13,427
Excess of Revenues Over (Under) Expenditures	(1,160,001)	(1,158,705)	8,968	12,200
OTHER FINANCING SOURCES				
Capital Lease Acquisitions	87,261	248,608	-	-
Proceeds from sale of capital assets	3,218	2,095	-	-
Michigan transportation fund distribution	1,267,345	1,199,243	-	-
Grants and transfers from other funds	192,086	245,907	-	-
Proceeds from bonds and notes issued	-	-	-	-
Premium on bonds issued	-	-	-	-
Total Other Financing Sources	1,549,910	1,695,853	-	-
OTHER FINANCING USES				
Grants and transfers to other funds	5,552	5,698	65	69
Discount on bonds issued	-	-	-	-
Debt service	217,598	227,531	3,961	5,940
Total Other Financing Uses	223,150	233,229	4,026	6,010
Excess of Other Financing Sources Over (Under) Other Financing Uses	1,326,760	1,462,624	(4,026)	(6,010)
Excess of Revenue and Other Sources Over (Under) Expenditures and Other Uses	166,759	303,919	4,942	6,191
Fund balances-Beginning of fiscal year	1,356,069	1,052,150	78,297	72,106
Fund balances-End of fiscal year	\$ 1,522,828	\$ 1,356,069	\$ 83,239	\$ 78,297

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	
2023	2022	2023	2022	2023	2022
\$ 18,299	\$ 13,692	\$ -	\$ -	\$ -	\$ -
204,362	178,511	-	-	-	-
5	6	-	-	-	-
311	280	-	-	-	-
430	471	-	-	-	-
598	60	37,818	8,477	174	27
-	-	-	-	-	-
5,470	3,817	154	996	15	-
<u>229,475</u>	<u>196,837</u>	<u>37,972</u>	<u>9,473</u>	<u>190</u>	<u>27</u>
8,549	7,221	167	1,022	2,393	300
78,479	81,025	-	-	-	-
145,119	107,763	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	2	-	-	-	-
<u>232,146</u>	<u>196,010</u>	<u>167</u>	<u>1,022</u>	<u>2,393</u>	<u>300</u>
-	-	810,201	653,022	-	-
432	161	-	-	-	-
<u>432</u>	<u>161</u>	<u>810,201</u>	<u>653,022</u>	<u>-</u>	<u>-</u>
<u>232,578</u>	<u>196,171</u>	<u>810,369</u>	<u>654,044</u>	<u>2,393</u>	<u>300</u>
<u>(3,103)</u>	<u>666</u>	<u>(772,397)</u>	<u>(644,570)</u>	<u>(2,203)</u>	<u>(273)</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
6,000	6,000	-	-	751	476
-	-	1,193,645	-	-	-
-	-	109,427	-	-	-
<u>6,000</u>	<u>6,000</u>	<u>1,303,072</u>	<u>-</u>	<u>751</u>	<u>476</u>
100	106	-	50,249	-	-
-	-	-	-	-	-
2,275	3,439	-	-	-	-
<u>2,375</u>	<u>3,544</u>	<u>-</u>	<u>50,249</u>	<u>-</u>	<u>-</u>
<u>3,625</u>	<u>2,456</u>	<u>1,303,072</u>	<u>(50,249)</u>	<u>751</u>	<u>476</u>
522	3,121	530,676	(694,819)	(1,452)	203
20,636	17,515	1,049,787	1,744,606	4,461	4,258
<u>\$ 21,158</u>	<u>\$ 20,636</u>	<u>\$ 1,580,462</u>	<u>\$ 1,049,787</u>	<u>\$ 3,008</u>	<u>\$ 4,461</u>

	TRANSPORTATION RELATED TRUST FUND		TOTALS	
	2023	2022	2023	2022
REVENUES				
Taxes	\$ -	\$ -	\$ 18,299	\$ 13,692
Federal aid	380,376	337,770	1,796,167	1,572,696
Local participation	-	-	11,749	21,731
Services	-	-	4,259	3,844
License and permits	-	-	17,536	17,839
Interest earnings on common cash	-	-	97,666	15,832
Non-operating revenue-bridges	-	-	3,045	3,433
Miscellaneous	754	978	68,966	76,509
Total Revenues	381,130	338,748	2,017,687	1,725,574
EXPENDITURES				
Administration and Operations:				
Administration and maintenance	-	-	780,750	765,596
Other grants	-	-	210,467	219,294
Airport development	-	-	145,119	107,763
Non-operating expenditures-bridges	-	-	3,557	3,246
Trust fund construction activity	381,130	338,748	381,130	338,748
Capital lease payments	-	-	72,286	2,706
Total Administration and Operations	381,130	338,748	1,593,310	1,437,353
Capital Outlay:				
Roads and bridges	-	-	2,342,493	2,068,219
Other capital outlay	-	-	10,620	10,685
Total Capital Outlay	-	-	2,353,114	2,078,904
Total Expenditures	381,130	338,748	3,946,424	3,516,257
Excess of Revenues Over (Under) Expenditures	-	-	(1,928,736)	(1,790,683)
OTHER FINANCING SOURCES				
Capital Lease Acquisitions	-	-	87,261	248,608
Proceeds from sale of capital assets	-	-	3,218	2,095
Michigan transportation fund distribution	-	-	1,267,345	1,199,243
Grants and transfers from other funds	-	-	198,837	252,383
Proceeds from bonds and notes issued	-	-	1,193,645	-
Premium on bonds issued	-	-	109,427	-
Total Other Financing Sources	-	-	2,859,733	1,702,329
OTHER FINANCING USES				
Grants and transfers to other funds	-	-	5,717	56,122
Discount on bonds issued	-	-	-	-
Debt service	-	-	223,834	236,910
Total Other Financing Uses	-	-	229,550	293,032
Excess of Other Financing Sources Over (Under) Other Financing Uses	-	-	2,630,182	1,409,297
Excess of Revenue and Other Sources Over (Under) Expenditures and Other Uses	-	-	701,446	(381,386)
Fund balances-Beginning of fiscal year	-	-	2,509,249	2,890,635
Fund balances-End of fiscal year	\$ -	\$ -	\$ 3,210,695	\$ 2,509,249



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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, 2023
(In Thousands)

(Statutory/Budgetary Basis)	STATE TRUNKLINE FUND (excluding Blue Water Bridge Fund)		
	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
REVENUES			
Taxes	\$ -	\$ -	\$ -
Federal aid	1,211,429	1,211,429	-
Local participation	11,744	11,744	-
Services	3,949	3,949	-
License and permits	17,106	17,106	-
Interest earnings	55,380	55,380	-
Non-operating revenue-bridges	3,045	3,045	-
Miscellaneous and Service revenue	41,920	41,920	-
Total Revenues	1,344,572	1,344,572	-
EXPENDITURES AND ENCUMBRANCES			
Administration	880,700	820,996	59,704
Other grants	147,746	123,876	23,870
Airport development	-	-	-
Nonoperating expenditure-bridges	3,739	3,739	-
Total Administration and Operations	1,032,184	948,610	83,574
Roads and bridges	1,659,968	1,659,968	-
Other capital outlay	14,551	14,551	-
Total Capital Outlay	1,674,519	1,674,519	-
Total Expenditures and Encumbrances	2,706,704	2,623,130	83,574
Excess of Revenue Over(Under) Expenditures and Encumbrances	(1,362,131)	(1,278,557)	83,574
OTHER FINANCING SOURCES			
Capital Lease Acquisitions	-	-	-
Proceeds of sale of capital assets	3,218	3,218	-
Michigan transportation fund distribution	1,267,345	1,267,345	-
Grants and transfers from other funds	192,086	192,086	-
Proceeds from bonds and notes issued	-	-	-
Premium on bonds issued	-	-	-
Total Financing Sources	1,462,649	1,462,649	-
OTHER FINANCING USES			
Grants and transfers to other funds	5,552	5,552	-
Discount on bonds issued	-	-	-
Debt service	217,598	217,598	-
Total Financing Uses	223,150	223,150	-
Excess Other Financial Sources Over(Under) Other Financial Uses	1,239,500	1,239,500	-
Excess of Revenue and Other Financial Sources Over(Under) Expenditures, Encumbrances and Other Financial Uses	\$ (122,632)	(39,058)	\$ 83,574
RECONCILING ITEMS			
Encumbrances at September 30		205,817	
Funds not annually budgeted		-	
Net Reconciling Items		205,817	
Excess of Revenue and Other Financial Sources Over(Under)Expenditures and Other Financial Uses (GAAP Basis)		166,759	
FUND BALANCES (GAAP BASIS)			
Beginning balance - Restated		1,356,069	
Ending balances (GAAP Basis)		\$ 1,522,828	

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)
\$ -	\$ -	\$ -	\$ 18,299	\$ 18,299	\$ -
-	-	-	204,362	204,362	-
-	-	-	5	5	-
-	-	-	311	311	-
-	-	-	430	430	-
3,696	3,696	-	598	598	-
-	-	-	-	-	-
20,653	20,653	-	5,470	5,470	-
24,348	24,348	-	229,475	229,475	-
7,478	7,378	100	8,794	8,559	235
-	-	-	78,544	78,479	66
-	-	-	147,114	147,109	5
-	-	-	-	-	-
7,478	7,378	100	234,452	234,147	306
13,212	13,212	-	-	-	-
-	-	-	-	-	-
13,212	13,212	-	-	-	-
20,690	20,590	100	234,452	234,147	306
3,658	3,758	100	(4,977)	(4,672)	306
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	6,000	6,000	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	6,000	6,000	-
-	-	-	150	100	50
-	-	-	-	-	-
3,961	3,961	-	2,275	2,275	-
3,961	3,961	-	2,425	2,375	50
(3,961)	(3,961)	-	3,575	3,625	50
\$ (303)	(203)	\$ 100	\$ (1,402)	(1,046)	\$ 356
	5,145			1,568	
	-			-	
	5,145			1,568	
	4,942			522	
	78,297			20,636	
\$	\$ 83,239		\$	\$ 21,158	

	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	-	-	-
Proceeds from bonds and notes issued	-	-	-
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	530,676	(1,452)	-
Net Reconciling Items	530,676	(1,452)	-
Excess of Revenue and Other Financial Sources Over(Under)Expenditures and Other Financial Uses (GAAP Basis)	530,676	(1,452)	-
FUND BALANCES (GAAP BASIS)			
Beginning balance - Restated	1,049,787	4,461	-
Ending balances (GAAP Basis)	\$ 1,580,462	\$ 3,008	\$ -

TOTALS		
BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
\$ 18,299	\$ 18,299	\$ -
1,415,791	1,415,791	-
11,749	11,749	-
4,259	4,259	-
17,536	17,536	-
59,674	59,674	-
3,045	3,045	-
68,043	68,043	-
1,598,396	1,598,396	-
896,972	836,933	60,038
226,291	202,355	23,936
147,114	147,109	5
3,739	3,739	-
1,274,115	1,190,136	83,980
1,673,180	1,673,180	-
14,551	14,551	-
1,687,731	1,687,731	-
2,961,846	2,877,867	83,980
(1,363,451)	(1,279,471)	83,980
-	-	-
3,218	3,218	-
1,267,345	1,267,345	-
198,086	198,086	-
-	-	-
-	-	-
1,468,649	1,468,649	-
5,702	5,652	50
-	-	-
223,834	223,834	-
229,536	229,485	50
1,239,114	1,239,164	50
\$ (124,337)	(40,307)	\$ 84,030
	212,530	
	529,223	
	741,753	
	701,446	
	2,509,249	
\$	3,210,695	

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, 2022
(In Thousands)

(Statutory/Budgetary Basis)	STATE TRUNKLINE FUND (excluding Blue Water Bridge Fund)		
	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
REVENUES			
Taxes	\$ -	\$ -	\$ -
Federal aid	1,056,415	1,056,415	-
Local participation	21,725	21,725	-
Services	3,564	3,564	-
License and permits	17,367	17,367	-
Interest earnings	6,791	6,791	-
Non-operating revenue-bridges	3,433	3,433	-
Miscellaneous and Service revenue	45,568	45,568	-
Total Revenues	1,154,863	1,154,863	-
EXPENDITURES AND ENCUMBRANCES			
Administration	841,410	801,476	39,933
Other grants	152,817	129,832	22,986
Airport development	-	-	-
Nonoperating expenditure-bridges	3,435	3,435	-
Total Administration and Operations	997,662	934,743	62,919
Roads and bridges	1,347,852	1,347,852	-
Other capital outlay	21,514	21,514	-
Total Capital Outlay	1,369,367	1,369,367	-
Total Expenditures and Encumbrances	2,367,028	2,304,109	62,919
Excess of Revenue Over(Under) Expenditures and Encumbrances	(1,212,166)	(1,149,247)	62,919
OTHER FINANCING SOURCES			
Capital Lease Acquisitions	-	-	-
Proceeds of sale of capital assets	2,095	2,095	-
Michigan transportation fund distribution	1,199,243	1,199,243	-
Grants and transfers from other funds	245,907	245,907	-
Proceeds from bonds and notes issued	-	-	-
Premium on bonds issued	-	-	-
Total Financing Sources	1,447,245	1,447,245	-
OTHER FINANCING USES			
Grants and transfers to other funds	5,698	5,698	-
Discount on bonds issued	-	-	-
Debt service	232,162	227,531	4,631
Total Financing Uses	237,860	233,229	4,631
Excess Other Financial Sources Over(Under) Other Financial Uses	1,209,385	1,214,016	4,631
Excess of Revenue and Other Financial Sources Over(Under) Expenditures, Encumbrances and Other Financial Uses	\$ (2,781)	64,769	\$ 67,550
RECONCILING ITEMS			
Encumbrances at September 30		239,149	
Funds not annually budgeted		-	
Net Reconciling Items		239,149	
Excess of Revenue and Other Financial Sources Over(Under)Expenditures and Other Financial Uses (GAAP Basis)		303,919	
FUND BALANCES (GAAP BASIS)			
Beginning balance - Restated		1,052,150	
Ending balances (GAAP Basis)		\$ 1,356,069	

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)
\$ -	\$ -	\$ -	\$ 13,692	\$ 13,692	\$ -
-	-	-	178,511	178,511	-
-	-	-	6	6	-
-	-	-	280	280	-
-	-	-	471	471	-
478	478	-	60	60	-
-	-	-	-	-	-
25,149	25,149	-	3,817	3,817	-
25,627	25,627	-	196,837	196,837	-
6,809	6,344	465	14,190	13,076	1,114
-	-	-	80,824	80,824	-
-	-	-	102,723	102,695	27
-	-	-	-	-	-
6,809	6,344	465	197,737	196,595	1,142
16,480	16,480	-	-	-	-
-	-	-	175	175	-
16,480	16,480	-	175	175	-
23,290	22,825	465	197,912	196,770	1,142
2,337	2,802	465	(1,075)	67	1,142
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	6,000	6,000	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	6,000	6,000	-
-	-	-	150	106	44
-	-	-	-	-	-
6,810	5,940	870	3,439	3,439	-
6,810	5,940	870	3,589	3,544	44
(6,810)	(5,940)	870	2,411	2,456	44
\$ <u>(4,473)</u>	(3,138)	\$ <u>1,335</u>	\$ <u>1,336</u>	2,522	\$ <u>1,186</u>
	9,329			599	
	-			-	
	9,329			599	
	6,191			3,121	
	72,106			17,515	
\$ <u>78,297</u>			\$ <u>20,636</u>		

	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	-	-	-
Proceeds from bonds and notes issued	-	-	-
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	(694,819)	203	-
Net Reconciling Items	(694,819)	203	-
Excess of Revenue and Other Financial Sources Over(Under)Expenditures and Other Financial Uses (GAAP Basis)	(694,819)	203	-
FUND BALANCES (GAAP BASIS)			
Beginning balance - Restated	1,744,606	4,258	-
Ending balances (GAAP Basis)	\$ 1,049,787	\$ 4,461	\$ -

TOTALS		
BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
\$ 13,692	\$ 13,692	\$ -
1,234,926	1,234,926	-
21,731	21,731	-
3,844	3,844	-
17,839	17,839	-
7,328	7,328	-
3,433	3,433	-
74,534	74,534	-
1,377,326	1,377,326	-
862,409	820,897	41,513
233,641	210,655	22,986
102,723	102,695	27
3,435	3,435	-
1,202,208	1,137,682	64,526
1,364,333	1,364,333	-
21,689	21,689	-
1,386,022	1,386,022	-
2,588,230	2,523,704	64,526
(1,210,904)	(1,146,378)	64,526
-	-	-
2,095	2,095	-
1,199,243	1,199,243	-
251,907	251,907	-
-	-	-
-	-	-
1,453,245	1,453,245	-
5,848	5,804	44
-	-	-
242,410	236,910	5,501
248,259	242,714	5,545
1,204,986	1,210,531	5,545
\$ (5,918)	64,153	\$ 70,071
	249,077	
	(694,616)	
	(445,539)	
	(381,386)	
	2,890,635	
\$	2,509,249	

MICHIGAN DEPARTMENT OF TRANSPORTATION
DESCRIPTIONS OF DEBT SERVICE FUNDS
FISCAL YEAR ENDED SEPTEMBER 30, 2023

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, 2023 and 2022
(In Thousands)

	COMBINED STATE TRUNKLINE BOND AND INTEREST REDEMPTION FUND		COMBINED COMPREHENSIVE TRANSPORTATION BOND AND INTEREST REDEMPTION FUND		TOTALS	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
ASSETS						
Current Assets:						
Equity in Common Cash	\$ -	\$ 2	\$ -	\$ -	\$ -	\$ 2
Amounts due from other funds	-	-	-	-	-	-
Other Current Assets	-	-	-	-	-	-
Total Assets	<u>\$ -</u>	<u>\$ 2</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2</u>
LIABILITIES AND FUND BALANCES						
Current Liabilities:						
Warrants Outstanding	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts payable and other liabilities	-	2	-	-	-	2
Amounts due to other funds	-	-	-	-	-	-
Total Liabilities	<u>-</u>	<u>2</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2</u>
Fund Balances:						
Unreserved	-	-	-	-	-	-
Total Fund Balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Liabilities and Fund Balances	<u>\$ -</u>	<u>\$ 2</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2</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, 2023 and 2022
(In Thousands)

	COMBINED STATE TRUNKLINE BOND AND INTEREST REDEMPTION FUND		COMBINED COMPREHENSIVE TRANSPORTATION BOND AND INTEREST REDEMPTION FUND		TOTALS	
	2023	2022	2023	2022	2023	2022
REVENUES						
Interest earnings	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Miscellaneous	3	3	-	-	3	3
Total Revenues	3	3	-	-	3	3
EXPENDITURES						
Administration	-	-	-	-	-	-
Costs of issuance	3	3	-	-	3	3
Bond principal retirement	122,615	138,310	2,540	12,555	125,155	150,865
Bond interest and fiscal charges	98,944	95,191	1,201	1,783	100,145	96,975
Total Expenditures	221,562	233,504	3,742	14,339	225,304	247,843
Excess of Revenues Over (Under) Expenditures	(221,559)	(233,501)	(3,741)	(14,338)	(225,300)	(247,840)
OTHER FINANCING SOURCES						
Proceeds from refunding bond issues	-	-	-	-	-	-
Proceeds from bond issues other than refunding	-	-	-	-	-	-
Premium on bonds issued	-	-	-	-	-	-
Transfer from State Aeronautics Fund	-	-	2,275	3,439	2,275	3,439
Transfer from State Trunkline Fund	221,559	233,471	-	-	221,559	233,471
Transfer from Comprehensive Transportation Fund	-	-	1,467	10,900	1,467	10,900
Total Other Financing Sources	221,559	233,471	3,741	14,338	225,300	247,809
OTHER FINANCING USES						
Payment to refunded bond escrow agent	-	-	-	-	-	-
Total Other Financing Uses	-	-	-	-	-	-
Excess of Other Sources Over (Under) Other Uses	221,559	233,471	3,741	14,338	225,300	247,809
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	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

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

2023

ANNUAL FINANCIAL REPORT

Statistical Section





FINANCIAL SCHEDULES



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MICHIGAN DEPARTMENT OF TRANSPORTATION
SCHEDULE OF REVENUES AND EXPENDITURES
SPECIAL REVENUE FUNDS AND CAPITAL PROJECTS FUNDS
LAST TEN YEARS
SEPTEMBER 30, 2023
(In Thousands)

	<u>2013-2014</u>	<u>2014-2015</u>	<u>2015-2016</u>
REVENUES AND OTHER SOURCES:			
Michigan Transportation Fund	\$ 1,937,904	\$ 2,022,175	\$ 2,072,328
State Trunkline Fund			
Economic Development	48,223	57,717	54,332
Road and Bridge Program	1,772,689	1,733,972	1,714,350
Blue Water Bridge Fund	22,441	20,968	21,285
Comprehensive Transportation Fund	401,373	389,096	352,243
Aeronautics Fund	86,956	89,305	72,616
Transportation Related Trust Fund	315,459	314,462	264,737
1992 State Trunkline Bond Proceeds Fund	239	-	-
1994 State Trunkline Bond Proceeds Fund	2	-	-
2001 Build Michigan III Bond Proceeds Fund	41	1	-
2001 & 2002 Build Michigan II Grant Anticipation Note Proceeds Fund	-	-	-
2002 & 2003 Comprehensive Transportation Bond Proceeds Fund	365	86	75
2004 State Trunkline Bond Proceeds Fund	2,549	122	(8)
2011 State Trunkline Bond Proceeds Fund	60,338	8,399	2,977
Rebuilding Michigan Bond Program	-	-	-
Economic Stimulus Bonds	21	1,074	4,031
Jobs Today Bond Proceeds Fund	15	44,710	57,499
Blue Water Bridge Plaza Series Bonds	2	4	5
	<u> </u>	<u> </u>	<u> </u>
TOTAL REVENUES AND OTHER SOURCES	\$ 4,648,617	\$ 4,682,091	\$ 4,616,470
	<u> </u>	<u> </u>	<u> </u>
EXPENDITURES AND OTHER USES:			
Michigan Transportation Fund	\$ 1,937,904	\$ 2,022,175	\$ 2,072,328
State Trunkline Fund			
Economic Development	52,211	63,906	49,226
Traditional Program	1,707,553	1,670,003	1,695,233
Blue Water Bridge Fund	15,131	24,410	24,331
Comprehensive Transportation Fund	388,597	403,744	358,385
Aeronautics Fund	93,671	92,869	73,243
Transportation Related Trust Fund	315,459	314,462	264,737
1992 State Trunkline Bond Proceeds Fund	209	-	-
1994 State Trunkline Bond Proceeds Fund	-	-	-
2001 Build Michigan III Bond Proceeds Fund	41	555	-
2001 & 2002 Build Michigan II Grant Anticipation Note Proceeds Fund	(267)	-	-
2002 & 2003 Comprehensive Transportation Bond Proceeds Fund	7,374	835	2,611
2004 State Trunkline Bond Proceeds Fund	9,442	2,507	(8)
2011 State Trunkline Bond Proceeds Fund	66,996	11,042	6,124
Rebuilding Michigan Bond Program	-	-	-
Economic Stimulus Bonds	8,718	5,377	2
Jobs Today Bond Proceeds Fund	36,778	40,413	34,858
Blue Water Bridge Plaza Series Bonds	562	1,139	(318)
	<u> </u>	<u> </u>	<u> </u>
TOTAL EXPENDITURES AND OTHER USES	\$ 4,640,379	\$ 4,653,437	\$ 4,580,752
	<u> </u>	<u> </u>	<u> </u>

<u>2016-2017</u>	<u>2017-2018</u>	<u>2018-2019</u>	<u>2019-2020</u>	<u>2020-2021</u>	<u>2021-2022</u>	<u>2022-2023</u>
\$ 2,617,638	\$ 2,808,250	\$ 3,124,744	\$ 3,169,811	\$ 3,446,105	\$ 3,549,182	\$ 3,752,226
26,440	53,272	54,603	41,348	40,694	51,734	54,995
1,954,893	1,943,524	2,253,215	2,576,240	2,511,949	2,798,981	2,839,488
22,281	22,414	22,668	17,866	16,212	25,627	24,348
376,541	406,879	406,153	421,490	427,678	491,977	538,160
96,279	106,234	97,392	255,389	218,833	202,837	235,475
283,877	276,163	269,615	346,062	327,052	338,748	381,130
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
3,390	1,820	1,264	229	379	503	941
-	-	-	-	-	-	-
6	16,066	(1,752)	275	(260)	2	17
-	-	-	1,048,174	1,009,938	9,428	1,341,010
4,483	1,491	31,458	20,004	42,240	-	-
112,582	20,552	6,210	30,062	7,264	42	12
1	16	8	1	1	1	5
<u>\$ 5,498,411</u>	<u>\$ 5,656,681</u>	<u>\$ 6,265,578</u>	<u>\$ 7,926,951</u>	<u>\$ 8,048,085</u>	<u>\$ 7,469,062</u>	<u>\$ 9,167,806</u>
\$ 2,617,638	\$ 2,808,250	\$ 3,124,743	\$ 3,169,811	\$ 3,446,105	\$ 3,549,182	\$ 3,752,226
36,232	51,330	58,219	47,843	46,387	43,425	44,558
1,976,204	1,983,756	2,204,072	2,515,171	2,353,060	2,503,371	2,683,166
15,986	18,916	22,314	16,930	16,895	19,436	19,407
358,983	344,360	373,106	410,776	409,330	413,529	451,285
100,109	105,638	93,350	255,054	217,879	199,716	234,953
283,877	276,163	269,615	346,062	327,052	338,748	381,130
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	1	-	-	-	-	-
-	-	-	-	-	-	-
6,085	1,270	2,644	7,267	386	300	2,393
-	-	-	-	-	-	-
1,037	122	1	14	33	1	1
-	-	-	36,452	296,920	654,030	810,355
-	-	-	-	-	-	-
43,721	37,783	35,863	81,155	117,650	50,261	13
344	-	-	-	3	-	-
<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>	<u>\$ 7,771,999</u>	<u>\$ 8,379,486</u>

MICHIGAN DEPARTMENT OF TRANSPORTATION
SCHEDULE OF REVENUES, EXPENDITURES & CHANGES IN FUND BALANCES
ECONOMIC DEVELOPMENT FUND
FISCAL YEARS ENDED SEPTEMBER 30, 2023 and 2022
(In Thousands)

	2023	2022
REVENUES AND OTHER SOURCES		
Licenses and permits	\$ 9,677	\$ 9,855
Federal aid	-	-
Local participation	-	-
Interest earnings	4,375	575
Michigan Transportation Fund distribution	40,275	40,275
Miscellaneous	667	1,029
Fees	-	-
Total Revenues and Other Sources	<u>54,995</u>	<u>51,734</u>
EXPENDITURES AND OTHER USES		
Administration	449	441
Forest roads	5,000	5,000
Target industries-state takeovers	5,952	9,742
Rural county urban system	2,735	2,234
Urban county congestion	13,127	5,022
Rural county primary	7,084	6,761
Community Service Infrastructure Fund	2,561	2,739
Special Projects	-	-
Debt service	7,650	11,486
Total Expenditures and Other Uses	<u>44,558</u>	<u>43,425</u>
Excess of Revenue and Other Sources Over (Under) Expenditures and Other Uses	<u>10,436</u>	<u>8,310</u>
Fund Balances-Beginning of fiscal year	92,967	84,658
Fund Balances-Adjustments	-	-
Fund Balances-End of fiscal year	<u>\$ 103,404</u>	<u>\$ 92,967</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.



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MICHIGAN DEPARTMENT OF TRANSPORTATION
CONSTRUCTION AND CAPITAL PROPERTY ACQUISITIONS
BY FUNCTIONAL ACTIVITY
FISCAL YEAR ENDED SEPTEMBER 30, 2023
(In Thousands)

	<u>Construction Supervision</u>	<u>Preliminary Engineering</u>	<u>Right-of-Way</u>
STATE TRUNKLINE FUND			
Roads and bridges	\$ 231,800	\$ 239,791	\$ 20,583
Economic development fund	22	87	-
Work orders - state facilities	-	-	-
Subtotal	<u>231,822</u>	<u>239,878</u>	<u>20,583</u>
BLUE WATER BRIDGE FUND	<u>256</u>	<u>2,426</u>	<u>118</u>
Subtotal	<u>256</u>	<u>2,426</u>	<u>118</u>
STATE AERONAUTICS AND GENERAL FUNDS			
Airport development	-	6,798	814
Work orders - state facilities	-	-	-
Subtotal	<u>-</u>	<u>6,798</u>	<u>814</u>
COMPREHENSIVE TRANSPORTATION FUND			
Rail freight	-	-	-
Bus transit	-	83	-
Intercity bus, rail, water	-	-	-
Subtotal	<u>-</u>	<u>83</u>	<u>-</u>
BOND PROCEEDS FUNDS			
State Trunkline Fund	120,297	25,920	575
Comprehensive Transportation Fund	-	-	-
Aeronautics Fund	-	-	-
Subtotal	<u>120,297</u>	<u>25,920</u>	<u>575</u>
Total Capital Acquisitions	\$ <u><u>352,375</u></u>	\$ <u><u>275,103</u></u>	\$ <u><u>22,091</u></u>

<u>Utility Relocation</u>	<u>Physical Construction</u>	<u>Special Projects</u>	<u>Other Activities</u>	<u>Totals</u>
\$ 87	\$ 1,233,884	\$ -	\$ 80,836	\$ 1,806,980
-	30,954	-	-	31,063
-	-	-	2,933	2,933
<u>87</u>	<u>1,264,838</u>	<u>-</u>	<u>83,768</u>	<u>1,840,976</u>
-	1,069	-	488	4,357
-	1,069	-	488	4,357
-	168,813	-	13,781	190,206
-	-	-	-	-
-	168,813	-	13,781	190,206
-	-	-	1,409	1,409
-	-	-	401,344	401,427
-	15,795	-	163,161	178,956
-	15,795	-	565,914	581,792
-	726,225	-	200	873,217
-	-	-	(2)	(2)
-	-	-	-	-
-	726,225	-	198	873,215
<u>\$ 87</u>	<u>\$ 2,176,740</u>	<u>\$ -</u>	<u>\$ 664,149</u>	<u>\$ 3,490,546</u>

MICHIGAN DEPARTMENT OF TRANSPORTATION
CONSTRUCTION AND CAPITAL PROPERTY ACQUISITIONS
BY FUNCTIONAL ACTIVITY
FISCAL YEAR ENDED SEPTEMBER 30, 2022
(In Thousands)

	<u>Construction Supervision</u>	<u>Preliminary Engineering</u>	<u>Right-of-Way</u>
STATE TRUNKLINE FUND			
Roads and bridges	\$ 195,170	\$ 244,211	\$ 37,619
Economic development fund	(47)	2,982	-
Work orders - state facilities	-	-	-
Subtotal	<u>195,123</u>	<u>247,193</u>	<u>37,619</u>
BLUE WATER BRIDGE FUND	<u>28</u>	<u>13,066</u>	<u>912</u>
Subtotal	<u>28</u>	<u>13,066</u>	<u>912</u>
STATE AERONAUTICS AND GENERAL FUNDS			
Airport development	-	4,773	1,918
Work orders - state facilities	-	-	-
Subtotal	<u>-</u>	<u>4,773</u>	<u>1,918</u>
COMPREHENSIVE TRANSPORTATION FUND			
Rail freight	-	-	-
Bus transit	-	-	-
Intercity bus, rail, water	-	-	-
Subtotal	<u>-</u>	<u>-</u>	<u>-</u>
BOND PROCEEDS FUNDS			
State Trunkline Fund	76,755	40,771	3,136
Comprehensive Transportation Fund	-	-	-
Aeronautics Fund	-	-	-
Subtotal	<u>76,755</u>	<u>40,771</u>	<u>3,136</u>
Total Capital Acquisitions	\$ <u><u>271,907</u></u>	\$ <u><u>305,802</u></u>	\$ <u><u>43,585</u></u>

<u>Utility Relocation</u>	<u>Physical Construction</u>	<u>Special Projects</u>	<u>Other Activities</u>	<u>Totals</u>
\$ 1,339	\$ 946,223	\$ -	\$ 81,865	\$ 1,506,427
-	23,865	-	-	26,800
-	-	-	13,029	13,029
<u>1,339</u>	<u>970,088</u>	<u>-</u>	<u>94,894</u>	<u>1,546,256</u>
<u>2</u>	<u>19</u>	<u>-</u>	<u>1,631</u>	<u>15,657</u>
<u>2</u>	<u>19</u>	<u>-</u>	<u>1,631</u>	<u>15,657</u>
-	84,022	-	179,731	270,444
-	-	-	-	-
-	<u>84,022</u>	<u>-</u>	<u>179,731</u>	<u>270,444</u>
-	-	-	3,843	3,843
-	-	-	378,750	378,750
-	<u>14,821</u>	<u>-</u>	<u>112,843</u>	<u>127,664</u>
-	<u>14,821</u>	<u>-</u>	<u>495,436</u>	<u>510,257</u>
-	588,053	-	141	708,857
-	-	-	2	2
-	-	-	-	-
-	<u>588,053</u>	<u>-</u>	<u>143</u>	<u>708,859</u>
\$ <u><u>1,341</u></u>	\$ <u><u>1,657,003</u></u>	\$ <u><u>-</u></u>	\$ <u><u>771,835</u></u>	\$ <u><u>3,051,473</u></u>

Michigan Department of Transportation
Schedule of Expenditures of Federal Awards
Fiscal Year Ended September 30, 2023

Distributed to Subrecipients									
Grantor Agency/Federal Assistance Program Title	ALN* 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									
Federal Transit Cluster									
Direct Programs:									
Bus and Bus Facilities Formula Program	20.526	Y			N	72,566.47	-	17,379,688.55	17,452,255.02
Total Federal Transit Cluster						72,566.47	-	17,379,688.55	17,452,255.02
Transit Services Programs Cluster									
Direct Programs:									
Enhanced Mobility for Seniors and Individuals with Disabilities	20.513	Y			N	-	-	4,843,072.17	4,843,072.17
Enhanced Mobility for Seniors and Individuals with Disabilities - Covid19/ARPA	20.513	Y			N	-	-	768,267.13	768,267.13
Enhanced Mobility for Seniors and Individuals with Disabilities - Covid19/CRRSAA funds	20.513	Y			N	-	-	59,070.00	59,070.00
Total Transit Services Programs Cluster						-	-	5,670,409.30	5,670,409.30
FMCSA Cluster									
Direct Programs:									
Motor Carrier Safety Assistance	20.218	Y			N	-	-	748,329.41	748,329.41
Motor Carrier Safety Assistance High Priority Activities Grants and Cooperative Agreements	20.237	Y			N	344,324.00	-	-	344,324.00
Total FMCSA Cluster						344,324.00	-	748,329.41	1,092,653.41
Direct Programs:									
Airport Improvement Program (Note 1)	20.106	Y			N	32,011,128.51	-	-	32,011,128.51
Airport Improvement Program - COVID19/CARES Funds (Note 1)	20.106	Y			N	173,740.96	-	-	173,740.96
Airport Improvement Program - COVID19/CRRSAA Funds (Note 1)	20.106	Y			N	105,308.92	-	-	105,308.92
Airport Improvement Program - COVID19/ARPA Funds (Note 1)	20.106	Y			N	1,500,373.44	-	-	1,500,373.44
Highway Research and Development Program	20.200	Y			Y	1,027,647.58	-	275,486.31	1,303,133.89
Highway Planning and Construction	20.205	Y			N	1,506,932,944.30	-	28,910,814.67	1,535,843,758.97
Highway Planning and Construction - Covid19/CRRSAA funds	20.205	Y			N	30,946,973.13	-	4,112,314.18	35,059,287.31
Highway Planning and Construction	20.205	Y			Y	6,227,495.35	-	-	6,227,495.35
Highway Training and Education	20.215	Y			N	-	-	211,810.70	211,810.70
Recreational Trails Program	20.219	Y			N	1,224,056.51	-	-	1,224,056.51
Federal Lands Access Program	20.224	Y			N	3,467,211.83	-	36,397.11	3,503,608.94
Consolidated Rail Infrastructure and Safety Improvements	20.325	Y			N	516,748.52	-	-	516,748.52
Federal-State Partnership for Intercity Passenger Rail	20.326	Y			N	7,849,305.32	-	-	7,849,305.32
Metropolitan Transportation Planning and State and Non-Metropolitan Planning and Research	20.505	Y			N	58,124.96	-	4,670,392.41	4,728,517.37
Formula Grants for Rural Areas and Tribal Transit Program	20.509	Y			N	2,436,128.93	-	35,279,807.51	37,715,936.44
Formula Grants for Rural Areas and Tribal Transit Program - COVID19/ARPA Funds	20.509	Y			N	-	-	19,252,903.22	19,252,903.22
Formula Grants for Rural Areas and Tribal Transit Program - COVID19/CARES Funds	20.509	Y			N	1,596,955.73	-	9,548,973.05	11,145,928.78
Formula Grants for Rural Areas and Tribal Transit Program - COVID19/CRRSAA Funds	20.509	Y			N	1,402,141.80	-	(1,268,201.80)	133,940.00
Rail Fixed Guideway Public Transportation System State Safety Oversight Formula Grant Program	20.528	Y			N	257,952.14	-	-	257,952.14
Public Transportation Innovation	20.530	Y			N	83,865.82	-	260,099.20	343,965.02
National Priority Safety Programs	20.616	N	State Police		N	246,640.00	-	-	246,640.00
National Infrastructure Investments	20.933	Y			N	4,456,825.27	-	275,562.37	4,732,387.64
CORONAVIRUS STATE AND LOCAL FISCAL RECOVERY FUNDS	21.027	Y			N	1,144,114.29	-	-	1,144,114.29
Total Direct Programs						1,603,665,683.31	-	101,566,358.93	1,705,232,042.24
Total U.S. Department of Transportation						1,604,082,573.78	-	125,364,786.19	1,729,447,359.97
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						1,604,632,573.78	-	125,364,786.19	1,729,997,359.97

* ALN is defined as Assistance Listing Number, formally known as Catalog of Federal Domestic Assistance (CFDA)

Michigan Department of Transportation
Schedule of Expenditures of Federal Awards
Fiscal Year Ended September 30, 2022

						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	1,322,011,642.90	-	27,219,584.39	1,349,231,227.29
Highway Planning and Construction - Covid19/CRRSAA funds	20.205	Y			N	16,062,391.88	-	3,209,247.93	19,271,639.81
Highway Planning and Construction	20.205	Y			Y	6,225,843.65	-	-	6,225,843.65
Recreational Trails Program	20.219	Y			N	1,958,371.48	-	-	1,958,371.48
Federal Lands Access Program	20.224	Y			N	895,970.41	-	-	895,970.41
Total Highway Planning and Construction Cluster						1,347,154,220.32	-	30,428,832.32	1,377,583,052.64
Federal Transit Cluster									
Direct Programs:									
Bus and Bus Facilities Formula Program	20.526	Y			N	-	-	2,939,289.53	2,939,289.53
Total Federal Transit Cluster						-	-	2,939,289.53	2,939,289.53
Transit Services Programs Cluster									
Direct Programs:									
Enhanced Mobility for Seniors and Individuals with Disabilities	20.513	Y			N	-	-	5,199,318.30	5,199,318.30
Enhanced Mobility for Seniors and Individuals with Disabilities - Covid19/CRRSAA funds	20.513	Y			N	-	-	607,191.05	607,191.05
New Freedom Program	20.521	Y			N	-	-	21,371.50	21,371.50
Total Transit Services Programs Cluster						-	-	5,827,880.85	5,827,880.85
FMCSA Cluster									
Direct Programs:									
Motor Carrier Safety Assistance	20.218	Y			N	-	-	6,551.15	6,551.15
Motor Carrier Safety Assistance High Priority Activities Grants and Cooperative Agreements	20.237	Y			N	55,215.83	-	-	55,215.83
Total FMCSA Cluster						55,215.83	-	6,551.15	61,766.98
Direct Programs:									
Airport Improvement Program (Note 1)	20.106	Y			N	18,325,176.16	-	-	18,325,176.16
Airport Improvement Program - COVID19/CARES Funds (Note 1)	20.106	Y			N	(154,294.49)	-	-	(154,294.49)
Airport Improvement Program - COVID19/CRRSAA Funds (Note 1)	20.106	Y			N	1,015,472.19	-	-	1,015,472.19
Highway Research and Development Program	20.200	Y			Y	745,764.59	-	590,737.42	1,336,502.01
Highway Training and Education	20.215	Y			N	-	-	167,793.12	167,793.12
Consolidated Rail Infrastructure and Safety Improvements	20.325	Y			N	13,634.60	-	-	13,634.60
Federal-State Partnership for Intercity Passenger Rail	20.326	Y			N	11,523,399.05	-	-	11,523,399.05
Metropolitan Transportation Planning and State and Non-Metropolitan Planning and Research	20.505	Y			N	523,835.79	-	3,666,601.11	4,190,436.90
Formula Grants for Rural Areas and Tribal Transit Program	20.509	Y			N	1,098,750.00	-	3,560,010.01	4,658,760.01
Formula Grants for Rural Areas and Tribal Transit Program - COVID19/CARES Funds	20.509	Y			N	1,107,863.40	-	3,202,168.90	4,310,032.30
Formula Grants for Rural Areas and Tribal Transit Program - COVID19/CRRSAA Funds	20.509	Y			N	1,523,758.60	-	50,553,359.00	52,077,117.60
Rail Fixed Guideway Public Transportation System State Safety Oversight Formula Grant Program	20.528	Y			N	14,351.28	-	91,125.19	105,476.47
Public Transportation Innovation	20.530	Y			N	-	-	428,672.27	428,672.27
National Priority Safety Programs	20.616	N	State Police		N	62,369.84	-	-	62,369.84
National Infrastructure Investments	20.933	Y			N	4,683,826.93	-	-	4,683,826.93
Total Direct Programs						40,483,907.94	-	62,260,467.02	102,744,374.96
Total U.S. Department of Transportation						1,387,693,344.09	-	101,463,020.87	1,489,156,364.96
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						1,388,243,344.09	-	101,463,020.87	1,489,706,364.96

* 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, 2023

1. Federal expenditures of \$170,532,087 for the Airport Improvement Program, COVID-19 Airports Programs, and Infrastructure Investment and Jobs Act Programs (ALN 20.106) channeled to primary airports for fiscal year 2023 are not included in the SEFA. Included in this amount are Coronavirus Aid, Relief, and Economic Security (CARES) Act expenditures totaling \$26,577,665, Coronavirus Response and Relief Supplemental Appropriations Act of 2021 (CRRSAA) expenditures totaling \$2,108,108, and American Rescue Plan Act of 2021 expenditures totaling \$49,895,219. 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, 2022

1. Federal expenditures of \$159,269,707 for the Airport Improvement Program, COVID-19 Airports Programs, and Infrastructure Investment and Jobs Act Programs (ALN 20.106) channeled to primary airports for fiscal year 2022 are not included in the SEFA. Included in this amount are Coronavirus Aid, Relief, and Economic Security (CARES) Act expenditures totaling \$15,636,435, Coronavirus Response and Relief Supplemental Appropriations Act of 2021 (CRRSAA) expenditures totaling \$45,384,922, and American Rescue Plan Act of 2021 expenditures totaling \$20,259,197. 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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**Serving and connecting people, communities,
and the economy through transportation.**