

2025

ANNUAL FINANCIAL REPORT

Michigan Department of Transportation



Fiscal Year Ended September 30, 2025

MICHIGAN DEPARTMENT OF TRANSPORTATION

ANNUAL FINANCIAL REPORT

Fiscal Years Ended September 30, 2025 & 2024

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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, 2025

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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

May 5, 2026

State Transportation Commission
Attn: Chairman Salisbury
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, 2024 and 2025. 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, the Infrastructure, Investment and Jobs Act (IIJA), which provides MDOT's annual apportionments, runs through 2026. MDOT has been monitoring the discussion regarding reauthorization and will be prepared to administer funds whether there is a new authorization, or an extension of the existing one. MDOT continues to work with our Federal, Local and State partners to ensure that we leverage Federal 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 2025, MDOT has issued \$2.8 billion in bonds for the Governor's Rebuilding Michigan Program, and the remainder is expected to be issued during FY 2026.

Fiscal year 2021 marked the first time that MDOT received a distribution from the Michigan Regulation and Taxation of Marihuana Act. The annual revenue received between FY 2021-2025

related to the Act totaled \$49 million, \$69 million, \$102 million, \$116 million and \$109 million, respectively.

The following table summarizes the changes from FY 2024 to FY 2025 in the various revenue sources (in millions):

Revenue source table

REVENUE SOURCE	FY 2025	FY 2024	Change
Michigan Transportation Fund			
Motor Vehicle Registration	\$1,581	\$1,490	\$91
Gasoline, Diesel and Alternative fuel taxes	\$1,631	\$1,556	\$75
Motor Vehicle Title Fees	\$36	\$36	\$0
Income Tax Redirection	\$600	\$600	\$0
Marihuana Tax	\$109	\$116	(\$7)
State Trunk Line Fund			
Local Agencies	\$38	\$13	\$25
Federal Agencies	\$1,330	\$1,201	\$129
Licenses and Permits	\$18	\$17	\$1
Comprehensive Transportation Fund			
Public Transportation Services	\$295	\$279	\$16
Federal Agencies	\$89	\$80	\$9
Motor Fuel Taxes	\$123	\$125	(\$2)
State Aeronautics Fund			
Aviation Fuel Tax	\$13	\$21	(\$8)
Federal Agencies	\$130	\$270	(\$140)

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. MDOT continues to face increased project costs due to inflation and federal Buy America Build America requirements, constrained budgets, and an aging infrastructure. Policy direction set by the State Transportation Commission is implemented through the distribution of resources to 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 2025, a total Highway Capital Program investment of \$2.3 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 1,806 lane miles of pavement and repair or replace 182 bridges. This investment included \$163 million in Rebuilding Michigan Program bond financing.

The total Highway Capital Program investment was estimated to support 21,991 jobs. Highlights of the program include pavement preservation activities, such as road rehabilitation, reconstruction, resurfacing, and preventive maintenance work totaling \$761 million. Bridge preservation activities, including rehabilitation, reconstruction, and preventive maintenance, totaled \$221million in investment. An expenditure of \$487 million on routine maintenance covered ongoing activities such as winter and roadside maintenance. The remaining investment of a combined \$649 million covered Trunkline Modernization, System Operations, Traffic and Safety, and other essential state and federally funded programs.

MDOT continues its focus on the preservation of existing public transportation services. This was done by distributing \$226.7 million in Comprehensive Transportation Fund (CTF) monies and \$67.2 million in federal operating, capital, and emergency relief funds for local transit operations. Also allocated \$37.2 million in CTF monies to match federal capital funds. Additionally, the Office of Passenger Transportation (OPT) provided \$452 thousand in CTF funds for ferryboat and dock replacements, and \$5.7 million in state funds for the following service initiatives: Microtransit service in the Lansing, Kalamazoo and Ionia areas; a car-sharing program using electric vehicles to serve disadvantaged communities in several cities around the state; creation of a Transportation Assistance Hub network in southeast Michigan, to improve connectivity to public transit and access to other mobility management resources; creating open standard data feeds for several rural transit agencies, to make their service discoverable on trip-planning apps; the Regional Transit Authority of Southeast Michigan's procurement of Transit App, to provide trip-planning, mobile ticketing and real-time tracking information for multimodal transportation providers throughout the region.

Funding for intercity services was provided at \$2.45 million from the CTF and \$6.4 million in federal operating and capital to maintain intercity bus services in nearly 101 Michigan communities on 49 daily scheduled trips 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 135 carriers and 1,356 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 \$16.1 million in state and federal dollars in these lines during FY2025, the bulk of it for design work and as advanced funding for track and

bridge improvement projects associated with federal grants. Through the Freight Economic Development Program, MDOT approved nine projects, investing nearly \$6.7 million to provide rail access for new and expanding businesses at locations across the state. Under the Michigan Rail Enhancement Program (M-REP), MDOT awarded nine grants totaling \$20.4 million for rail infrastructure improvements. MDOT also provided \$600,000 in legislatively mandated operating assistance to the Detroit-Wayne County Port Authority for administrative and marketing expenditures and \$6.6 million to three railroad companies and a local governmental entity to assist with the required local match to federal grants.

MDOT provided funding for 18 grade crossing safety enhancement projects on roads under county, city, or village jurisdiction and 6 crossing projects on state trunklines, investing a total of \$7.5 million in dedicated federal and state crossing safety funds in the interest of motorist safety. Incentive payments totaling \$175,000 were allocated to a local road authority in exchange for closing a crossing to vehicular travel. An additional 32 projects were approved for funding under the Local Grade Crossing Surface Improvement Program; MDOT's 60% project share totaled nearly \$4.7 million.

State funds were also used to support intercity passenger rail service to 22 Michigan station communities and improve the state-owned accelerated rail corridor, all in an effort to enhance mobility and spur economic development along Michigan's passenger rail corridors. MDOT distributed \$25.9 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 and federal grant monies 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 \$40.2 million supported efforts to maintain a state of good repair and, together with monies set aside in previous years, set the stage for higher-speed service and reduced passenger travel times. Capital projects during FY2025 included track and bridge upgrades and the procurement of materials for future projects.

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 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 \$50.1 million in 2025 AIP Federal Grant funding; \$12.1 million for Michigan's primary airports and \$38 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 79 percent of the runways (measured with newer, more stringent criteria) met the good or better pavement criteria.

In FY 2025, FAA announced Airport Infrastructure Grants allocations for 89 Michigan NPIAS airports totaling \$50.4 million.

CONCLUSION

During the year, \$6.5 billion was expended from all revenue sources to address Michigan's transportation needs. This included \$3.2 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 2026-05-05 09:57:27 EDT

Patrick McCarthy, CPA
Director
Bureau of Finance and Administration

2025

ANNUAL FINANCIAL REPORT

Financial Section





GENERAL PURPOSE FINANCIAL STATEMENTS

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, 2025 and 2024
(In Thousands)

GOVERNMENTAL FUND TYPES				
	SPECIAL REVENUE		DEBT SERVICE	
	2025	2024	2025	2024
ASSETS				
Current Assets:				
Cash and cash equivalents	\$ 4,276	\$ 3,020	\$ -	\$ -
Equity in Common Cash	718,666	821,468	-	-
Receivables:				
Taxes, interest, and penalties (at net)	165,292	153,951	-	-
Other funds	72,389	86,111	-	-
Component Units	-	-	-	-
Federal aid	54,630	40,358	-	-
Local units	883	1,102	-	-
Inventories	-	-	-	-
Other Current Assets	11,795	10,757	-	-
Total Current Assets	1,027,931	1,116,769	-	-
Noncurrent Assets:				
Receivables:				
Taxes	3,587	3,872	-	-
Federal aid	-	-	-	-
Local units	-	-	-	-
Advances to other funds	-	-	-	-
Land contracts	-	-	-	-
Miscellaneous	604	894	-	-
Total Noncurrent Assets	4,191	4,766	-	-
Total Assets	\$ 1,032,122	\$ 1,121,535	\$ -	\$ -
LIABILITIES AND FUND BALANCES				
Current Liabilities:				
Warrants outstanding	\$ -	\$ -	\$ -	\$ -
Accounts payable	382,730	544,468	-	-
Contract reserve payable	-	-	-	-
Due to other funds and Components	70,559	72,011	-	-
Amounts held for others	-	-	-	-
Unearned revenue	400	13	-	-
Total Current Liabilities	453,689	616,492	-	-
Long-Term Liabilities:				
Unearned revenue	49	62	-	-
Total Long-Term Liabilities	49	62	-	-
Total Liabilities	453,738	616,553	-	-
DEFERRED INFLOWS OF RESOURCES	17,913	12,564	-	-
Fund Balance:				
Nonspendable	-	-	-	-
Restricted	560,471	492,418	-	-
Committed	-	-	-	-
Assigned	-	-	-	-
Total Fund Balances	560,471	492,418	-	-
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 1,032,122	\$ 1,121,535	\$ -	\$ -

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

CAPITAL PROJECTS		TOTALS	
2025	2024	2025	2024
\$ 58	\$ 41	\$ 4,334	\$ 3,061
2,421,040	2,691,480	3,139,705	3,512,948
3,418	5,332	168,710	159,284
64,335	66,042	136,725	152,153
2,412	1,590	2,412	1,590
325,777	274,397	380,407	314,755
169,145	148,239	170,028	149,341
15,011	22,305	15,011	22,305
11,356	12,855	23,151	23,612
3,012,553	3,222,280	4,040,484	4,339,049
38	75	3,626	3,947
-	-	-	-
61,198	52,978	61,198	52,978
-	-	-	-
-	-	-	-
8,627	9,606	9,231	10,500
69,863	62,659	74,054	67,425
\$ 3,082,415	\$ 3,284,939	\$ 4,114,538	\$ 4,406,474
\$ -	\$ -	\$ -	\$ -
567,817	549,403	950,547	1,093,871
-	-	-	-
70,315	84,024	140,874	156,035
-	-	-	-
1,748	1,914	2,148	1,927
639,880	635,341	1,093,569	1,251,833
3	6	52	67
3	6	52	67
639,883	635,347	1,093,621	1,251,900
9,201	10,296	27,114	22,860
15,095	22,416	15,095	22,416
2,418,237	2,616,881	2,978,708	3,109,299
-	-	-	-
-	-	-	-
2,433,332	2,639,296	2,993,803	3,131,714
\$ 3,082,415	\$ 3,284,939	\$ 4,114,538	\$ 4,406,474

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, 2025 and 2024
(In Thousands)

	GOVERNMENTAL FUND TYPES			
	SPECIAL REVENUE		DEBT SERVICE	
	2025	2024	2025	2024
REVENUES				
Taxes	\$ 3,934,856	\$ 3,772,194	\$ -	\$ -
Federal aid	89,082	79,602	-	-
Local participation	-	-	-	-
Services	9,154	5,739	-	-
License and permits	36,494	36,201	-	-
Interest earnings	36,855	37,375	-	-
Non-operating revenue-bridges	-	-	-	-
Miscellaneous	16,558	14,161	4	3
Total Revenues	4,122,998	3,945,274	4	3
EXPENDITURES				
Administration and Operations:				
Administration and maintenance	29,856	27,056	-	-
Bus operating assistance grants	268,449	250,385	-	-
Other grants	2,270,782	2,175,926	-	-
Airport development	-	-	-	-
Non-operating expenditures-bridges	-	-	-	-
Trust fund construction activity	-	-	-	-
Capital lease payments	-	-	-	-
Costs of issuance	-	-	3	3
Bond principal retirement	-	-	141,560	126,250
Bond interest and fiscal charges	-	-	148,320	134,980
Total Administration and Operations	2,569,087	2,453,367	289,883	261,233
Capital Outlay:				
Roads and bridges	-	-	-	-
Other capital outlay	142	-	-	-
Total Capital Outlay	142	-	-	-
Total Expenditures	2,569,229	2,453,367	289,883	261,233
Excess of Revenues Over (Under) Expenditures	1,553,769	1,491,907	(289,880)	(261,230)
OTHER FINANCING SOURCES				
Capital Lease Acquisitions	-	-	-	-
Proceeds from sale of capital assets	-	13	-	-
Proceeds from bond issues other than refunding	-	-	-	-
Michigan Transportation Fund distribution	295,359	278,546	-	-
Grants and transfers from other funds	110,852	118,338	289,880	261,230
Proceeds from bonds and notes issued	-	-	-	-
Premium on bonds issued	-	-	-	-
Total Other Financing Sources	406,211	396,897	289,880	261,230
OTHER FINANCING USES				
Michigan Transportation Fund distribution	1,644,752	1,572,119	-	-
Grants and transfers to other funds	247,175	251,870	-	-
Discount on bonds issued	-	-	-	-
Debt service	-	-	-	-
Payment to refunded bond escrow agent	-	-	-	-
Total Other Financing Uses	1,891,927	1,823,989	-	-
Excess of Other Financing Sources Over (Under) Other Financing Uses	(1,485,716)	(1,427,092)	289,880	261,230
Excess of Revenue and Other Sources Over (Under) Expenditures and Other Uses	68,053	64,815	-	-
Fund balances-Beginning of fiscal year	492,418	427,603	-	-
Fund balances-End of fiscal year	\$ 560,471	\$ 492,418	\$ -	\$ -

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

		TOTALS (Memorandum Only)	
CAPITAL PROJECTS			
2025	2024	2025	2024
\$ 13,314	\$ 20,976	\$ 3,948,170	\$ 3,793,170
1,854,904	1,857,208	1,943,986	1,936,810
37,765	13,366	37,765	13,366
4,071	4,486	13,224	10,225
18,195	17,569	54,689	53,770
103,685	144,685	140,540	182,060
3,871	3,773	3,871	3,773
105,390	74,859	121,952	89,023
2,141,194	2,136,920	6,264,197	6,082,197
889,779	830,210	919,636	857,266
-	-	268,449	250,385
123,923	228,606	2,394,705	2,404,533
129,582	172,274	129,582	172,274
3,662	3,568	3,662	3,568
395,798	387,115	395,798	387,115
54,294	72,959	54,294	72,959
-	-	3	3
-	-	141,560	126,250
-	-	148,320	134,980
1,597,038	1,694,733	4,456,009	4,409,333
2,003,131	2,358,764	2,003,131	2,358,764
6,437	6,246	6,579	6,246
2,009,568	2,365,010	2,009,710	2,365,010
3,606,606	4,059,743	6,465,719	6,774,343
(1,465,411)	(1,922,822)	(201,522)	(692,146)
111	114,512	111	114,512
1,429	1,396	1,429	1,409
-	-	-	-
1,349,393	1,293,573	1,644,752	1,572,119
205,126	209,591	605,857	589,159
-	-	-	-
-	-	-	-
1,556,059	1,619,072	2,252,149	2,277,200
-	-	1,644,752	1,572,119
6,732	6,419	253,907	258,289
-	-	-	-
289,880	261,230	289,880	261,230
-	-	-	-
296,612	267,649	2,188,538	2,091,638
1,259,447	1,351,423	63,611	185,561
(205,965)	(571,399)	(137,911)	(506,584)
2,639,296	3,210,695	3,131,714	3,638,298
\$ 2,433,332	\$ 2,639,296	\$ 2,993,803	\$ 3,131,714

MICHIGAN DEPARTMENT OF TRANSPORTATION
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Notes to the Financial Statements Index

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MICHIGAN DEPARTMENT OF TRANSPORTATION
NOTES TO THE FINANCIAL STATEMENTS
FISCAL YEAR ENDED SEPTEMBER 30, 2025

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 THE FINANCIAL STATEMENTS
FISCAL YEAR ENDED SEPTEMBER 30, 2025

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, 2024 and fiscal year ending December 31, 2023 follows (In Thousands):

	December 31, 2024	December 31, 2023
Assets	\$9,737	\$8,163
Liabilities	3,575	3,254
Total Fund Balance	6,162	4,909
Total Revenues and Other Sources	8,044	7,543
Total Expenditures and Other Uses	6,790	6,696
Excess of Revenues and Other Sources		
Over (Under) Expenditures and Other	1,253	846
Uses		

MICHIGAN DEPARTMENT OF TRANSPORTATION
NOTES TO THE FINANCIAL STATEMENTS
FISCAL YEAR ENDED SEPTEMBER 30, 2025

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 THE FINANCIAL STATEMENTS
FISCAL YEAR ENDED SEPTEMBER 30, 2025

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):

	Special Revenue Funds		Debt Service Funds		Capital Projects Funds	
	2025	2024	2025	2024	2025	2024
Equity in Common Cash	\$718,666	\$821,468	\$ -	\$ -	\$2,421,040	\$2,691,480

The balances for the special revenue funds averaged approximately \$800.5 million and \$710.1 million and the balances for the capital projects funds averaged approximately \$2,327.6 million and \$2,874.3 million during fiscal years 2025 and 2024, respectively.

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

MICHIGAN DEPARTMENT OF TRANSPORTATION
NOTES TO THE FINANCIAL STATEMENTS
FISCAL YEAR ENDED SEPTEMBER 30, 2025

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, 2025 and 2024 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.

Contested Receivables (In Thousands)

	<u>2025</u>	<u>2024</u>
State Trunkline Fund	\$ 1,755	\$1,519
Comprehensive Transportation Fund	51	18
Total Allowance for Doubtful Accounts	<u>\$1,806</u>	<u>\$1,537</u>

B. Taxes Receivable

In the Michigan Transportation Fund, the gross amount of current taxes receivable, \$229.3 million and \$227.2 million, less allowances for uncollectible receivables, \$68.4 million and \$71.9 million result in net taxes receivable of \$160.8 million and \$155.4 million, being recorded for motor fuel taxes due to the fund as of September 30, 2025 and 2024, respectively.

In the State Aeronautics Fund, the gross amount of current taxes receivable, \$32.0 million and \$35.4 million, less allowances for uncollectible receivables, \$28.6 million and \$30.0 million result in net taxes receivable of \$3.4 million and \$5.3 million, being recorded for aviation fuel taxes due to the fund as of September 30, 2025 and 2024, 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 \$243.4 million and \$194.0 million for the fiscal years ending September 30, 2025 and 2024, respectively. No noncurrent federal aid receivables were recorded for the fiscal years ending September 30, 2025 and 2024.

MICHIGAN DEPARTMENT OF TRANSPORTATION
NOTES TO THE FINANCIAL STATEMENTS
FISCAL YEAR ENDED SEPTEMBER 30, 2025

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 2025 changes in reported costs for MDOT’s capital assets (In Millions):

Changes in Capital Assets Fiscal Year 2025				
	Beginning Balance	Additions	Deletions	Ending Balance
Capital assets, not depreciated:				
Roads	\$11,991.2	\$581.4	(\$181.4)	\$12,391.2
Land	3,192.8	469.6	(0.3)	3,662.1
Bridges	3,287.7	248.5	(48.0)	3,488.2
Construction in Progress	4,769.0	1,094.5	(1,209.2)	4,654.3
Computer Software Projects in Progress	-	-	-	-
Land Rights	0.7	5.7	-	6.4
Capital assets, depreciated:				
Equipment	210.2	33.0	(7.8)	235.3
Buildings	219.4	-	-	219.4
Blue Water Bridge Infrastructure	35.9	-	-	35.9
Railroads	173.7	-	-	173.7
Rest Areas & Welcome Centers	125.0	5.3	-	130.3
Land Improvements	57.8	0.3	-	58.1

MICHIGAN DEPARTMENT OF TRANSPORTATION
NOTES TO THE FINANCIAL STATEMENTS
FISCAL YEAR ENDED SEPTEMBER 30, 2025

Airports	1.6	-	-	1.6
Computer Software Project	10.5	-	-	10.5
Locomotives	83.9	-	-	83.9
Rail Coach Cars	61.6	8.1	-	69.7
Right-to-use leased buildings	7.0	0.1	-	7.1
Right-to-use leased equipment	-	-	-	-

**Less accumulated depreciation
for:**

Equipment	(125.1)	(13.6)	5.7	(132.9)
Buildings	(112.4)	(5.2)	-	(117.6)
Blue Water Bridge Infrastructure	(20.2)	(1.0)	-	(21.3)
Railroad	(75.1)	(4.0)	-	(79.1)
Rest Area & Welcome Center	(62.3)	(2.9)	-	(65.2)
Land Improvements	(26.4)	(2.7)	-	(29.1)
Airports	(1.2)	(0.1)	-	(1.2)
Computer Software Project	(7.9)	(2.6)	-	(10.5)
Locomotives	(28.1)	(4.3)	-	(32.4)
Rail Coach Cars	(3.2)	(1.9)	-	(5.1)
Right-to-use buildings	(1.6)	(0.7)	-	(2.3)
Right-to-use equipment	-	-	-	-
Total Capital Assets	\$23,764.3	\$2,407.5	(\$1,441.0)	\$24,730.8

B. Funding Source:

Following is a summary of funding sources for investments in capital assets as of September 30, 2025 (In Millions):

Fund	<u>Investment</u>
State Trunkline Fund	\$24,482.3
Comprehensive Transportation Fund	230.5
State Aeronautics Fund	18.0
Total Investment in Capital Assets	<u>\$24,730.8</u>

MICHIGAN DEPARTMENT OF TRANSPORTATION
NOTES TO THE 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 Issued	Outstanding		Maturities		Average Interest Rate % ⁽¹⁾
		9/30/25	9/30/24	First Year	Last Year	
Comprehensive Transportation Fund Bonds						
Series 2015 (Refunding)	29,380	17,275	19,960	2017	2031	4.89
Total Comprehensive Transportation Fund Bonds	\$ 29,380	\$ 17,275	\$ 19,960			
State Trunkline Fund Bonds						
Series 2020A (Refunding)	103,485	3,190	14,810	2021	2027	5.00
Series 2020B	800,000	790,000	790,000	2021	2046	4.55
Series 2021A	800,000	755,000	770,000	2023	2047	4.35
Series 2021B (Refunding)	54,150	46,300	49,050	2023	2037	4.91
Series 2023	1,193,645	1,185,645	1,193,645	2025	2050	5.12
Total State Trunkline Fund Bonds	\$ 2,951,280	\$ 2,780,135	\$ 2,817,505			
Grant Anticipation Bonds						
Series 2016 (Refunding)	607,110	246,150	347,655	2018	2027	4.97
Total Grant Anticipation Bonds	\$ 607,110	\$ 246,150	\$ 347,655			
Total Revenue Dedicated Bonded Debt	<u>\$ 3,587,770</u>	<u>\$ 3,043,560</u>	<u>\$ 3,185,120</u>			

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

MICHIGAN DEPARTMENT OF TRANSPORTATION
NOTES TO THE FINANCIAL STATEMENTS
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B. 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, 2025 or 2024.

C. Debt Service Requirements

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

FISCAL YEARS ENDING	STATE TRUNKLINE FUND			COMPREHENSIVE TRANSPORTATION FUND			GRANT ANTICIPATION BONDS			COMBINED TOTAL			
	SEPTEMBER 30	PRINCIPAL	INTEREST	TOTAL	PRINCIPAL	INTEREST	TOTAL	PRINCIPAL	INTEREST	TOTAL	PRINCIPAL	INTEREST	TOTAL
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		\$2,780,135	\$1,861,905	\$4,642,040	\$17,275	\$2,482	\$19,757	\$246,150	\$12,507	\$258,657	\$3,043,560	\$1,876,894	\$4,920,454

MICHIGAN DEPARTMENT OF TRANSPORTATION
NOTES TO THE FINANCIAL STATEMENTS
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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
NOTES TO THE FINANCIAL STATEMENTS
FISCAL YEAR ENDED SEPTEMBER 30, 2025

E. Changes in General Long-term Obligations:

Changes in general long-term obligations for the fiscal years ended September 30, 2025 and 2024 are summarized as follows (In Thousands):

Revenue Dedicated Debt Oversight Entity

	2025	2024
Balance – Beginning	\$3,185,120	\$3,311,370
New bond issues	-	-
Appreciation Bonds	-	-
Bond principal retirements	(141,560)	(126,250)
Balance - Ending	\$3,043,560	\$3,185,120

Claims and Judgements

	2025	2024
Balance - Beginning	\$740	\$640
Net increase (decrease) in estimated liabilities	(666)	100
Balance - Ending	\$74	\$740

Compensated Absences Liabilities

	2025	2024
Balance - Beginning	\$34,858	\$33,283
Net increase (decrease) in estimated liabilities	39,664	1,575
Balance - Ending	\$74,522	\$34,858

MICHIGAN DEPARTMENT OF TRANSPORTATION
NOTES TO THE FINANCIAL STATEMENTS
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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, 2025 are summarized as follows (In Thousands):

Governmental Activities	Beginning Balance	Additions	Reductions	Ending Balance
Leases	\$5,535	\$110	\$590	\$5,055
Financed purchases	840,186	-	22,353	817,832
Total Governmental Activities	\$845,721	\$110	\$22,943	\$822,887

MICHIGAN DEPARTMENT OF TRANSPORTATION
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Summary of lease commitments to maturity for fiscal year 2025 follows (In Thousands):

Fiscal Year Ended September 30	Principal	Interest	Total
2026	\$611	\$175	\$786
2027	605	166	771
2028	502	155	657
2029	411	143	554
2030	423	132	555
2031-2035	1,272	496	1,768
2036-2040	1,012	222	1,235
2041-2045	547	47	594
Total	\$5,384	\$1,536	\$6,920

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.

MICHIGAN DEPARTMENT OF TRANSPORTATION
NOTES TO THE FINANCIAL STATEMENTS
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Summary of financed purchase commitments to maturity for fiscal year 2025 follows (In Thousands):

Fiscal Year Ended September 30	Principal	Interest	Total
2026	\$26,766	\$30,179	\$56,945
2027	25,616	29,254	54,870
2028	26,715	28,343	55,058
2029	28,440	27,385	55,824
2030	31,027	26,352	57,379
2031-2035	141,679	115,843	257,523
2036-2040	177,050	86,383	263,433
2041-2045	217,332	48,629	265,962
2046-2050	143,209	8,820	152,029
Thereafter	-	-	-
Total	<u>\$817,833</u>	<u>\$401,190</u>	<u>\$1,219,022</u>

MICHIGAN DEPARTMENT OF TRANSPORTATION
NOTES TO THE FINANCIAL STATEMENTS
FISCAL YEAR ENDED SEPTEMBER 30, 2025

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):

	2025	2024
State Trunkline Fund	\$79,124	\$83,387
Comprehensive Transportation Fund	2,022	2,259
State Aeronautics Fund	1,226	1,465
Blue Water Bridge	904	984
Total Department of Transportation Contributions	<u>\$83,277</u>	<u>\$88,096</u>

B. Compensated Absences

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

MICHIGAN DEPARTMENT OF TRANSPORTATION
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Governmental Accounting Standards Board (GASB) Statement No. 101, Compensated Absences, establishes updated guidance for the recognition and measurement of liabilities related to compensated absences, including certain types of leave such as sick leave. This Statement requires governments to recognize a liability for leave that has been earned but not yet used when it is more likely than not that the leave will be used for time off or otherwise paid or settled. With the implementation of this Statement, MDOT recognizes a broader sick leave liability, resulting in an increase to the reported liability. Previously, MDOT recognized a sick leave liability only for amounts expected to be paid out upon employee retirement or termination.

The following table summarizes Department of Transportation related compensated absences liabilities as of September 30, 2025 and 2024 (In Thousands):

	Sick Leave		Annual Leave		Banked Leave		Total	
	2025	2024	2025	2024	2025	2024	2025	2024
State Trunkline Fund	\$43,298	\$686	\$24,926	\$29,676	\$2,843	\$2,454	\$71,067	\$32,816
Comprehensive Transportation Fund	1,045	126	739	907	122	111	1,906	1,143
State Aeronautics Fund	643	108	378	487	51	39	1,071	633
Blue Water Bridge	270	-	202	260	7	5	478	266
TOTAL	\$45,255	\$920	\$26,244	\$31,330	\$3,023	\$2,609	\$74,522	\$34,858

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

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

MICHIGAN DEPARTMENT OF TRANSPORTATION
NOTES TO THE FINANCIAL STATEMENTS
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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 and Comprehensive Transportation Fund. 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 2025 and 2024 (In Thousands).

Interfund Transactions	2025	2024
MTF Distribution – STF	\$1,349,428	\$1,293,605
MTF Distribution – CTF	295,359	278,546
Other State agencies	52,382	51,467
Debt Service	50,000	50,000
Economic Development Program	40,275	40,275
Local Road Program	33,000	33,000
Local Bridge Fund	27,313	27,440
Transportation Planning	13,135	12,899
Design and Engineering Services	18,124	17,684
Rail Grade Crossing Program	3,000	3,000
Rail Grade Crossing – Surface Improvements	3,000	3,000
Freight and Safety Services	1,443	2,308
Finance, Contracts and Support Services	1,700	1,685
Enhancement Program	884	870
Moveable Bridge Program	6,167	6,017
Local Agency Wetlands Mitigation Fund	2,000	2,000
	<u>\$1,897,209</u>	<u>\$1,823,797</u>

MICHIGAN DEPARTMENT OF TRANSPORTATION
NOTES TO THE FINANCIAL STATEMENTS
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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 \$18,306,172 between fiscal years 1993 and 2025 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 \$44,693,828 is owed to the Michigan Transportation Fund and a balance of \$12,306,172 is owed to the State Trunkline Fund.

For the fiscal year ended September 30, 2025, a current receivable of \$2,412,345 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 THE FINANCIAL STATEMENTS
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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, 2025 and 2024, 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, 2025 and 2024, the balances remaining on these contracts equaled \$3,007.2 million and \$3,227.2 million, respectively. Portions of these balances, \$241.3 million as of September 30, 2025, and \$213.3 million as of September 30, 2024, 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 \$25.7 million as of September 30, 2025.

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 \$58.3 million as of September 30, 2025.

MICHIGAN DEPARTMENT OF TRANSPORTATION
NOTES TO THE FINANCIAL STATEMENTS
FISCAL YEAR ENDED SEPTEMBER 30, 2025

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 2025, MDOT had \$93.8 million of State Trunkline expenditures on projects related to routine advanced construction and no project expenditures related to State Trunkline future debt service advanced construction. At the end of fiscal year 2024, MDOT had \$204.7 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.

MICHIGAN DEPARTMENT OF TRANSPORTATION
NOTES TO THE FINANCIAL STATEMENTS
FISCAL YEAR ENDED SEPTEMBER 30, 2025

Note 11: Subsequent Events

Work Project Lawsuit

On December 10, 2025, the Michigan House Appropriations Committee voted to disapprove certain newly requested work project appropriations, which included \$12.2 million disapproved for the Michigan Department of Transportation (MDOT). Work project appropriations are one-time, nonrecurring undertakings for the purpose of accomplishing a specific objective that enables an appropriation to be available until completion of the work or 48 months after the last day of the fiscal year in which the appropriation was originally made. Under the authority of Michigan Compiled Laws (MCL) Section 18.1451a, the director of the State Budget Office (SBO) may designate appropriations as work project appropriations and either the Michigan House Appropriations Committee or the Michigan Senate Appropriations Committee may disapprove those designations.

On January 7, 2026, the Attorney General of the State issued a formal opinion concluding that the mechanism at MCL 18.1451a(3) that allowed either appropriations committee to disapprove work project designations was unconstitutional. On January 9, 2026, the Michigan House of Representatives filed suit against multiple State departments and agencies that challenged the opinion and sought declaratory judgment that the work project appropriation disapproval clause of MCL 18.1451a(3) is constitutional and that the line-item appropriations disapproved of by the House Appropriations Committee on December 10, 2025, are not “work project appropriations” pursuant to MCL 18.1451a(3) and, therefore, have lapsed by operation of law to the funds from which they were appropriated. On January 16, 2026, the Court of Claims issued a preliminary injunction preventing State departments and agencies from disbursing the disapproved funds and on February 27, 2026, the Court granted the parties a two-week adjournment to allow the parties to engage in negotiations toward mutual resolution of the litigation. An additional eight-week adjournment was granted in a court order on March 16, 2026, which requires the parties to file a joint stipulation regarding the status of negotiations by May 8, 2026.

These matters remain pending before the court, and no final determinations have been rendered as of the date of this report. MDOT continues to monitor the proceedings and evaluate any potential impact on its operations.



FUND DESCRIPTIONS COMBINING FINANCIAL STATEMENTS AND SCHEDULES

MICHIGAN DEPARTMENT OF TRANSPORTATION
DESCRIPTIONS OF SPECIAL REVENUE FUNDS
FISCAL YEAR ENDED SEPTEMBER 30, 2025

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, 2025 and 2024
(In Thousands)

	MICHIGAN TRANSPORTATION FUND		COMPREHENSIVE TRANSPORTATION FUND		TOTALS	
	2025	2024	2025	2024	2025	2024
ASSETS						
Current Assets:						
Cash and cash equivalents	\$ 4,276	\$ 3,020	\$ -	\$ -	\$ 4,276	\$ 3,020
Equity in Common Cash	185,524	347,861	533,141	473,607	718,666	821,468
Receivables:						
Taxes, interest, and penalties (at net)	164,127	152,785	1,166	1,167	165,292	153,951
Other funds	-	-	72,389	86,111	72,389	86,111
Component Units	-	-	-	-	-	-
Federal aid	-	-	54,630	40,358	54,630	40,358
Local units	-	-	883	1,102	883	1,102
Inventories	-	-	-	-	-	-
Other Current Assets	10,150	10,091	1,645	666	11,795	10,757
Total Current Assets	364,077	513,757	663,854	603,012	1,027,931	1,116,769
Noncurrent Assets:						
Receivables:						
Taxes	3,587	3,872	-	-	3,587	3,872
Federal aid	-	-	-	-	-	-
Local units	-	-	-	-	-	-
Advances to other funds	-	-	-	-	-	-
Land contracts	-	-	-	-	-	-
Miscellaneous	-	-	604	894	604	894
Total Noncurrent Assets	3,587	3,872	604	894	4,191	4,766
Total Assets	\$ 367,664	\$ 517,629	\$ 664,458	\$ 603,906	\$ 1,032,122	\$ 1,121,535
LIABILITIES AND FUND BALANCES						
Current Liabilities:						
Warrants outstanding	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts Payable and Other Liabilities	280,183	434,324	102,547	110,143	382,730	544,468
Contract reserve payable	-	-	-	-	-	-
Amounts due to other funds	70,462	71,917	98	94	70,559	72,011
Amounts held for others	-	-	-	-	-	-
Unearned revenue	-	-	400	13	400	13
Total Current Liabilities	350,645	506,241	103,044	110,250	453,689	616,492
Long-Term Liabilities:						
Unearned revenue	-	-	49	62	49	62
Total Long-Term Liabilities	-	-	49	62	49	62
Total Liabilities	350,645	506,241	103,093	110,312	453,738	616,553
DEFERRED INFLOWS OF RESOURCES	17,019	11,388	894	1,176	17,913	12,564
Fund Balances:						
Nonspendable	-	-	-	-	-	-
Restricted	-	-	560,471	492,418	560,471	492,418
Committed	-	-	-	-	-	-
Assigned	-	-	-	-	-	-
Total Fund Balances	-	-	560,471	492,418	560,471	492,418
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 367,664	\$ 517,629	\$ 664,458	\$ 603,906	\$ 1,032,122	\$ 1,121,535

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, 2025 and 2024
(In Thousands)

	MICHIGAN TRANSPORTATION FUND		COMPREHENSIVE TRANSPORTATION FUND		TOTALS	
	2025	2024	2025	2024	2025	2024
REVENUES						
Taxes	\$ 3,812,041	\$ 3,646,751	\$ 122,815	\$ 125,444	\$ 3,934,856	\$ 3,772,194
Federal aid	-	-	89,082	79,602	89,082	79,602
Local participation	-	-	-	-	-	-
Services	9,154	5,739	-	-	9,154	5,739
License and permits	36,298	35,999	196	202	36,494	36,201
Interest earnings on common cash	13,023	13,127	23,832	24,249	36,855	37,375
Non-operating revenue-bridges	-	-	-	-	-	-
Miscellaneous	500	1,542	16,058	12,619	16,558	14,161
Total Revenues	<u>3,871,015</u>	<u>3,703,157</u>	<u>251,983</u>	<u>242,116</u>	<u>4,122,998</u>	<u>3,945,274</u>
EXPENDITURES						
Administration and Operations:						
Administration and maintenance	5,490	5,420	24,367	21,636	29,856	27,056
Bus operating assistance grants	-	-	268,449	250,385	268,449	250,385
Other grants	2,083,209	1,995,391	187,573	180,536	2,270,782	2,175,926
Airport development	-	-	-	-	-	-
Non-operating expenditures-bridges	-	-	-	-	-	-
Trust fund construction activity	-	-	-	-	-	-
Capital lease payments	-	-	-	-	-	-
Total Administration and Operations	<u>2,088,699</u>	<u>2,000,810</u>	<u>480,389</u>	<u>452,556</u>	<u>2,569,087</u>	<u>2,453,367</u>
Capital Outlay:						
Roads and bridges	-	-	-	-	-	-
Other capital outlay	-	-	142	-	142	-
Total Capital Outlay	<u>-</u>	<u>-</u>	<u>142</u>	<u>-</u>	<u>142</u>	<u>-</u>
Total Expenditures	<u>2,088,699</u>	<u>2,000,810</u>	<u>480,531</u>	<u>452,556</u>	<u>2,569,229</u>	<u>2,453,367</u>
Excess of Revenues Over (Under) Expenditures	<u>1,782,317</u>	<u>1,702,347</u>	<u>(228,548)</u>	<u>(210,440)</u>	<u>1,553,769</u>	<u>1,491,907</u>
OTHER FINANCING SOURCES						
Capital Lease Acquisitions	-	-	-	-	-	-
Proceeds from sale of capital assets	-	-	-	13	-	13
Michigan transportation fund distribution	-	-	295,359	278,546	295,359	278,546
Grants and transfers from other funds	109,403	116,030	1,449	2,308	110,852	118,338
Proceeds from bonds and notes issued	-	-	-	-	-	-
Premium on bonds issued	-	-	-	-	-	-
Total Other Financing Sources	<u>109,403</u>	<u>116,030</u>	<u>296,808</u>	<u>280,867</u>	<u>406,211</u>	<u>396,897</u>
OTHER FINANCING USES						
Michigan transportation fund distribution	1,644,752	1,572,119	-	-	1,644,752	1,572,119
Grants and transfers to other funds	246,967	246,258	207	5,612	247,175	251,870
Discount on bonds issued	-	-	-	-	-	-
Debt service	-	-	-	-	-	-
Total Other Financing Uses	<u>1,891,719</u>	<u>1,818,377</u>	<u>207</u>	<u>5,612</u>	<u>1,891,927</u>	<u>1,823,989</u>
Excess of Other Financing Sources Over (Under) Other Financing Uses	<u>(1,782,317)</u>	<u>(1,702,347)</u>	<u>296,601</u>	<u>275,255</u>	<u>(1,485,716)</u>	<u>(1,427,092)</u>
Excess of Revenue and Other Sources Over (Under) Expenditures and Other Uses	-	-	68,053	64,815	68,053	64,815
Fund balances-Beginning of fiscal year	-	-	492,418	427,603	492,418	427,603
Fund balances-End of fiscal year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 560,471</u>	<u>\$ 492,418</u>	<u>\$ 560,471</u>	<u>\$ 492,418</u>

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, 2025
(In Thousands)

(Statutory/Budgetary Basis)	MICHIGAN TRANSPORTATION FUND		
	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
REVENUES			
Taxes	\$ 3,812,041	\$ 3,812,041	\$ -
Federal aid	-	-	-
Local participation	-	-	-
Services	9,154	9,154	-
License and permits	36,298	36,298	-
Interest earnings	13,023	13,023	-
Non-operating revenue-bridges	-	-	-
Miscellaneous and Service revenue	500	500	-
Total Revenues	3,871,015	3,871,015	-
EXPENDITURES AND ENCUMBRANCES			
Administration	6,105	5,455	650
Bus operating assistance grants	-	-	-
Other grants	2,083,645	2,083,209	436
Airport development	-	-	-
Nonoperating expenditure-bridges	-	-	-
Total Administration and Operations	2,089,750	2,088,664	1,086
Roads and bridges	-	-	-
Other capital outlay	-	-	-
Total Capital Outlay	-	-	-
Total Expenditures and Encumbrances	2,089,750	2,088,664	1,086
Excess of Revenue Over(Under) Expenditures and Encumbrances	1,781,265	1,782,351	1,086
OTHER FINANCING SOURCES			
Proceeds from sale of capital assets	-	-	-
Michigan transportation fund distribution	-	-	-
Grants and transfers from other funds	109,403	109,403	-
Total Financing Sources	109,403	109,403	-
OTHER FINANCING USES			
Michigan transportation fund distribution	1,645,162	1,644,787	375
Grants and transfers to other funds	248,199	246,967	1,231
Discount on bonds issued	-	-	-
Debt service	-	-	-
Total Financing Uses	1,893,361	1,891,754	1,607
Excess Other Financial Sources Over(Under) Other Financial Uses	(1,783,958)	(1,782,351)	1,607
Excess of Revenue and Other Financial Sources Over(Under) Expenditures, Encumbrances and Other Financial Uses	\$ (2,693)	-	\$ 2,693
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)
\$ 122,815	\$ 122,815	\$ -	\$ 3,934,856	\$ 3,934,856	\$ -
89,082	89,082	-	89,082	89,082	-
-	-	-	-	-	-
-	-	-	9,154	9,154	-
196	196	-	36,494	36,494	-
23,832	23,832	-	36,855	36,855	-
-	-	-	-	-	-
16,058	16,058	-	16,558	16,558	-
251,983	251,983	-	4,122,998	4,122,998	-
26,503	24,583	1,920	32,608	30,038	2,570
270,630	270,629	1	270,630	270,629	1
451,117	444,218	6,900	2,534,762	2,527,426	7,336
-	-	-	-	-	-
-	-	-	-	-	-
748,250	739,430	8,820	2,838,000	2,828,093	9,906
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
748,250	739,430	8,820	2,838,000	2,828,093	9,906
(496,267)	(487,447)	8,820	1,284,998	1,294,905	9,906
-	-	-	-	-	-
295,359	295,359	-	295,359	295,359	-
1,449	1,449	-	110,852	110,852	-
296,808	296,808	-	406,211	406,211	-
-	-	-	1,645,162	1,644,787	375
250	207	43	248,449	247,175	1,274
-	-	-	-	-	-
-	-	-	-	-	-
250	207	43	1,893,611	1,891,961	1,649
296,558	296,601	43	(1,487,400)	(1,485,750)	1,649
\$ (199,709)	(190,846)	\$ 8,863	\$ (202,401)	(190,846)	\$ 11,556
	258,899			258,899	
	-			-	
	258,899			258,899	
	68,053			68,053	
	492,418			492,418	
\$ 560,471			\$ 560,471		

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, 2024
(In Thousands)

(Statutory/Budgetary Basis)	MICHIGAN TRANSPORTATION FUND		
	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
REVENUES			
Taxes	\$ 3,646,751	\$ 3,646,751	\$ -
Federal aid	-	-	-
Local participation	-	-	-
Services	5,739	5,739	-
License and permits	35,999	35,999	-
Interest earnings	13,127	13,127	-
Non-operating revenue-bridges	-	-	-
Miscellaneous and Service revenue	1,542	1,542	-
Total Revenues	3,703,157	3,703,157	-
EXPENDITURES AND ENCUMBRANCES			
Administration	6,084	5,388	696
Bus operating assistance grants	-	-	-
Other grants	1,995,868	1,995,391	478
Airport development	-	-	-
Nonoperating expenditure-bridges	-	-	-
Total Administration and Operations	2,001,952	2,000,779	1,173
Roads and bridges	-	-	-
Other capital outlay	-	-	-
Total Capital Outlay	-	-	-
Total Expenditures and Encumbrances	2,001,952	2,000,779	1,173
Excess of Revenue Over(Under) Expenditures and Encumbrances	1,701,205	1,702,379	1,173
OTHER FINANCING SOURCES			
Proceeds from sale of capital assets	-	-	-
Michigan transportation fund distribution	-	-	-
Grants and transfers from other funds	116,030	116,030	-
Total Financing Sources	116,030	116,030	-
OTHER FINANCING USES			
Michigan transportation fund distribution	1,572,545	1,572,151	394
Grants and transfers to other funds	247,577	246,258	1,319
Discount on bonds issued	-	-	-
Debt service	-	-	-
Total Financing Uses	1,820,122	1,818,409	1,713
Excess Other Financial Sources Over(Under) Other Financial Uses	(1,704,091)	(1,702,379)	1,713
Excess of Revenue and Other Financial Sources Over(Under) Expenditures, Encumbrances and Other Financial Uses	\$ (2,886)	-	\$ 2,886
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)
\$ 125,444	\$ 125,444	\$ -	\$ 3,772,194	\$ 3,772,194	\$ -
79,602	79,602	-	79,602	79,602	-
-	-	-	-	-	-
-	-	-	5,739	5,739	-
202	202	-	36,201	36,201	-
24,249	24,249	-	37,375	37,375	-
-	-	-	-	-	-
12,619	12,619	-	14,161	14,161	-
242,116	242,116	-	3,945,274	3,945,274	-
24,564	21,889	2,675	30,648	27,277	3,371
254,020	254,019	1	254,020	254,019	1
430,292	426,494	3,798	2,426,161	2,421,885	4,276
-	-	-	-	-	-
-	-	-	-	-	-
708,877	702,403	6,474	2,710,829	2,703,182	7,647
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
708,877	702,403	6,474	2,710,829	2,703,182	7,647
(466,760)	(460,287)	6,474	1,234,445	1,242,092	7,647
13	13	-	13	13	-
278,546	278,546	-	278,546	278,546	-
2,308	2,308	-	118,338	118,338	-
280,867	280,867	-	396,897	396,897	-
-	-	-	1,572,545	1,572,151	394
250	199	51	247,827	246,457	1,370
-	-	-	-	-	-
-	-	-	-	-	-
250	199	51	1,820,372	1,818,608	1,764
280,617	280,668	51	(1,423,475)	(1,421,711)	1,764
\$ (186,144)	(179,619)	\$ 6,525	\$ (189,030)	(179,619)	\$ 9,411
	244,433			244,433	
	-			-	
	244,433			244,433	
	64,815			64,815	
	427,603			427,603	
\$ 492,418			\$ 492,418		

MICHIGAN DEPARTMENT OF TRANSPORTATION
DESCRIPTIONS OF CAPITAL PROJECTS FUNDS
FISCAL YEAR ENDED SEPTEMBER 30, 2025

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, 2025**

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, 2025**

COMBINED STATE TRUNKLINE BOND PROCEEDS FUND (continued)

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, 2024, 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:

2006 COMPREHENSIVE TRANSPORTATION FUND BOND PROCEEDS SUB FUND

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

MICHIGAN DEPARTMENT OF TRANSPORTATION
DESCRIPTIONS OF CAPITAL PROJECTS FUNDS
FISCAL YEAR ENDED SEPTEMBER 30, 2025

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, 2025 and 2024
(In Thousands)

	STATE TRUNKLINE FUND (excluding Blue Water Bridge Fund)		BLUE WATER BRIDGE FUND	
	2025	2024	2025	2024
ASSETS				
Current Assets:				
Cash and cash equivalents	\$ 58	\$ 41	\$ -	\$ -
Equity in Common Cash	1,921,949	1,671,988	32,920	53,457
Receivables:				
Taxes, interest, and penalties (at net)	-	-	-	-
Other funds	64,335	66,042	-	-
Component Units	2,412	1,590	-	-
Federal aid	167,758	139,746	-	-
Local units	26,827	27,639	-	-
Inventories	15,011	22,305	-	-
Other Current Assets	9,399	10,513	844	747
 Total Current Assets	 2,207,750	 1,939,864	 33,764	 54,205
Noncurrent Assets:				
Receivables:				
Taxes	-	-	-	-
Federal aid	-	-	-	-
Local units	60,990	52,800	-	-
Advances to other funds	-	-	-	-
Land contracts	-	-	-	-
Miscellaneous	112	566	8,515	9,040
 Total Noncurrent Assets	 61,103	 53,366	 8,515	 9,040
 Total Assets	 \$ 2,268,852	 \$ 1,993,230	 \$ 42,279	 \$ 63,245
LIABILITIES AND FUND BALANCES				
Current Liabilities:				
Warrants outstanding	\$ -	\$ -	\$ -	\$ -
Accounts Payable and Other Liabilities	310,647	292,622	2,159	14,865
Contract reserve payable	-	-	-	-
Amounts due to other funds	3,946	3,686	49	44
Amounts held for others	-	-	-	-
Unearned revenue	3	3	1,745	1,754
 Total Current Liabilities	 314,596	 296,311	 3,953	 16,663
Long-Term Liabilities:				
Unearned revenue	3	6	-	-
Total Long-Term Liabilities	3	6	-	-
 Total Liabilities	 314,598	 296,316	 3,953	 16,663
DEFERRED INFLOWS OF RESOURCES	 122	 622	 9,040	 9,600
 Fund Balances:				
Nonspendable	15,095	22,416	-	-
Restricted	1,939,037	1,673,877	29,285	36,982
Committed	-	-	-	-
Assigned	-	-	-	-
 Total Fund Balances	 1,954,132	 1,696,292	 29,285	 36,982
 Total Liabilities, Deferred Inflows of Resources, and Fund Balances	 \$ 2,268,852	 \$ 1,993,230	 \$ 42,279	 \$ 63,245

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	
2025	2024	2025	2024	2025	2024
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
20,737	3,448	436,810	954,362	8,624	8,224
3,418	5,332	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
82,341	80,397	-	-	-	-
31,750	6,268	-	-	30	30
-	-	-	-	-	-
35	32	1,077	1,563	-	-
138,280	95,477	437,887	955,925	8,654	8,254
38	75	-	-	-	-
-	-	-	-	-	-
87	28	-	-	120	150
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
126	103	-	-	120	150
\$ 138,406	\$ 95,580	\$ 437,887	\$ 955,925	\$ 8,774	\$ 8,404
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
104,875	65,884	30,182	87,714	-	-
-	-	-	-	-	-
57	58	-	-	-	-
-	-	-	-	-	-
-	157	-	-	-	-
104,932	66,099	30,182	87,714	-	-
-	-	-	-	-	-
-	-	-	-	-	-
104,932	66,099	30,182	87,714	-	-
38	75	-	-	-	-
-	-	-	-	-	-
33,435	29,406	407,705	868,212	8,774	8,404
-	-	-	-	-	-
-	-	-	-	-	-
33,435	29,406	407,705	868,212	8,774	8,404
\$ 138,406	\$ 95,580	\$ 437,887	\$ 955,925	\$ 8,774	\$ 8,404

	TRANSPORTATION RELATED TRUST FUND		TOTALS	
	2025	2024	2025	2024
ASSETS				
Current Assets:				
Cash and cash equivalents	\$ -	\$ -	\$ 58	\$ 41
Equity in Common Cash	-	-	2,421,040	2,691,480
Receivables:				
Taxes, interest, and penalties (at net)	-	-	3,418	5,332
Other funds	-	-	64,335	66,042
Component Units	-	-	2,412	1,590
Federal aid	75,679	54,253	325,777	274,397
Local units	110,538	114,301	169,145	148,239
Inventories	-	-	15,011	22,305
Other Current Assets	-	-	11,356	12,855
Total Current Assets	<u>186,217</u>	<u>168,555</u>	<u>3,012,553</u>	<u>3,222,280</u>
Noncurrent Assets:				
Receivables:				
Taxes	-	-	38	75
Federal aid	-	-	-	-
Local units	-	-	61,198	52,978
Advances to other funds	-	-	-	-
Land contracts	-	-	-	-
Miscellaneous	-	-	8,627	9,606
Total Noncurrent Assets	<u>-</u>	<u>-</u>	<u>69,863</u>	<u>62,659</u>
Total Assets	<u>\$ 186,217</u>	<u>\$ 168,555</u>	<u>\$ 3,082,415</u>	<u>\$ 3,284,939</u>
LIABILITIES AND FUND BALANCES				
Current Liabilities:				
Warrants outstanding	\$ -	\$ -	\$ -	\$ -
Accounts Payable and Other Liabilities	119,954	88,319	567,817	549,403
Contract reserve payable	-	-	-	-
Amounts due to other funds	66,263	80,236	70,315	84,024
Amounts held for others	-	-	-	-
Unearned revenue	-	-	1,748	1,914
Total Current Liabilities	<u>186,217</u>	<u>168,555</u>	<u>639,880</u>	<u>635,341</u>
Long-Term Liabilities:				
Unearned revenue	-	-	3	6
Total Long-Term Liabilities	<u>-</u>	<u>-</u>	<u>3</u>	<u>6</u>
Total Liabilities	<u>186,217</u>	<u>168,555</u>	<u>639,883</u>	<u>635,347</u>
DEFERRED INFLOWS OF RESOURCES	<u>-</u>	<u>-</u>	<u>9,201</u>	<u>10,296</u>
Fund Balances:				
Nonspendable	-	-	15,095	22,416
Restricted	-	-	2,418,237	2,616,881
Committed	-	-	-	-
Assigned	-	-	-	-
Total Fund Balances	<u>-</u>	<u>-</u>	<u>2,433,332</u>	<u>2,639,296</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 186,217</u>	<u>\$ 168,555</u>	<u>\$ 3,082,415</u>	<u>\$ 3,284,939</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, 2025 and 2024
(In Thousands)

	STATE TRUNKLINE FUND (excluding Blue Water Bridge Fund)		BLUE WATER BRIDGE FUND	
	2025	2024	2025	2024
REVENUES				
Taxes	\$ -	\$ -	\$ -	\$ -
Federal aid	1,329,792	1,200,913	-	-
Local participation	37,761	13,364	-	-
Services	3,890	4,100	-	-
License and permits	17,596	17,094	-	-
Interest earnings on common cash	69,269	69,488	1,514	4,410
Non-operating revenue-bridges	3,871	3,773	-	-
Miscellaneous	74,370	47,284	29,718	22,147
Total Revenues	1,536,548	1,356,016	31,232	26,557
EXPENDITURES				
Administration and Operations:				
Administration and maintenance	874,451	813,996	7,659	7,260
Other grants	119,485	118,893	-	-
Airport development	-	-	-	-
Non-operating expenditures-bridges	3,662	3,568	-	-
Trust fund construction activity	-	-	-	-
Capital lease payments	54,294	72,959	-	-
Total Administration and Operations	1,051,893	1,009,416	7,659	7,260
Capital Outlay:				
Roads and bridges	1,483,636	1,514,658	27,229	61,515
Other capital outlay	4,405	6,055	-	-
Total Capital Outlay	1,488,041	1,520,713	27,229	61,515
Total Expenditures	2,539,933	2,530,129	34,888	68,775
Excess of Revenues Over (Under) Expenditures	(1,003,386)	(1,174,113)	(3,656)	(42,218)
OTHER FINANCING SOURCES				
Capital Lease Acquisitions	111	114,512	-	-
Proceeds from sale of capital assets	1,429	1,190	-	1
Michigan transportation fund distribution	1,349,393	1,293,573	-	-
Grants and transfers from other funds	199,119	198,178	3	-
Proceeds from bonds and notes issued	-	-	-	-
Premium on bonds issued	-	-	-	-
Total Other Financing Sources	1,550,052	1,607,453	3	1
OTHER FINANCING USES				
Grants and transfers to other funds	6,526	6,225	80	77
Discount on bonds issued	-	-	-	-
Debt service	282,301	253,650	3,963	3,963
Total Other Financing Uses	288,827	259,875	4,043	4,040
Excess of Other Financing Sources Over (Under) Other Financing Uses	1,261,225	1,347,578	(4,040)	(4,039)
Excess of Revenue and Other Sources Over (Under) Expenditures and Other Uses	257,839	173,465	(7,697)	(46,257)
Fund balances-Beginning of fiscal year	1,696,292	1,522,828	36,982	83,239
Fund balances-End of fiscal year	\$ 1,954,132	\$ 1,696,292	\$ 29,285	\$ 36,982

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	
2025	2024	2025	2024	2025	2024
\$ 13,314	\$ 20,976	\$ -	\$ -	\$ -	\$ -
129,893	269,939	-	-	-	-
4	2	-	-	-	-
181	385	-	-	-	-
599	476	-	-	-	-
767	296	31,760	70,346	376	144
-	-	-	-	-	-
627	4,336	96	333	-	-
145,385	296,410	31,856	70,678	376	144
7,567	8,455	96	338	6	161
4,438	109,713	-	-	-	-
129,582	172,274	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
141,586	290,442	96	338	6	161
-	-	492,266	782,591	-	-
2,032	191	-	-	-	-
2,032	191	492,266	782,591	-	-
143,618	290,633	492,363	782,929	6	161
1,767	5,777	(460,506)	(712,251)	370	(17)
-	-	-	-	-	-
-	205	-	-	-	-
-	-	-	-	-	-
6,004	6,000	-	-	-	5,413
-	-	-	-	-	-
-	-	-	-	-	-
6,004	6,205	-	-	-	5,413
126	117	-	-	-	-
-	-	-	-	-	-
3,616	3,617	-	-	-	-
3,742	3,734	-	-	-	-
2,262	2,471	-	-	-	5,413
4,029	8,248	(460,506)	(712,251)	370	5,396
29,406	21,158	868,212	1,580,462	8,404	3,008
\$ 33,435	\$ 29,406	\$ 407,705	\$ 868,212	\$ 8,774	\$ 8,404

	TRANSPORTATION RELATED TRUST FUND		TOTALS	
	2025	2024	2025	2024
REVENUES				
Taxes	\$ -	\$ -	\$ 13,314	\$ 20,976
Federal aid	395,219	386,356	1,854,904	1,857,208
Local participation	-	-	37,765	13,366
Services	-	-	4,071	4,486
License and permits	-	-	18,195	17,569
Interest earnings on common cash	-	-	103,685	144,685
Non-operating revenue-bridges	-	-	3,871	3,773
Miscellaneous	579	759	105,390	74,859
Total Revenues	395,798	387,115	2,141,194	2,136,920
EXPENDITURES				
Administration and Operations:				
Administration and maintenance	-	-	889,779	830,210
Other grants	-	-	123,923	228,606
Airport development	-	-	129,582	172,274
Non-operating expenditures-bridges	-	-	3,662	3,568
Trust fund construction activity	395,798	387,115	395,798	387,115
Capital lease payments	-	-	54,294	72,959
Total Administration and Operations	395,798	387,115	1,597,038	1,694,733
Capital Outlay:				
Roads and bridges	-	-	2,003,131	2,358,764
Other capital outlay	-	-	6,437	6,246
Total Capital Outlay	-	-	2,009,568	2,365,010
Total Expenditures	395,798	387,115	3,606,606	4,059,743
Excess of Revenues Over (Under) Expenditures	-	-	(1,465,411)	(1,922,822)
OTHER FINANCING SOURCES				
Capital Lease Acquisitions	-	-	111	114,512
Proceeds from sale of capital assets	-	-	1,429	1,396
Michigan transportation fund distribution	-	-	1,349,393	1,293,573
Grants and transfers from other funds	-	-	205,126	209,591
Proceeds from bonds and notes issued	-	-	-	-
Premium on bonds issued	-	-	-	-
Total Other Financing Sources	-	-	1,556,059	1,619,072
OTHER FINANCING USES				
Grants and transfers to other funds	-	-	6,732	6,419
Discount on bonds issued	-	-	-	-
Debt service	-	-	289,880	261,230
Total Other Financing Uses	-	-	296,612	267,649
Excess of Other Financing Sources Over (Under) Other Financing Uses	-	-	1,259,447	1,351,423
Excess of Revenue and Other Sources Over (Under) Expenditures and Other Uses	-	-	(205,965)	(571,399)
Fund balances-Beginning of fiscal year	-	-	2,639,296	3,210,695
Fund balances-End of fiscal year	\$ -	\$ -	\$ 2,433,332	\$ 2,639,296



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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, 2025
(In Thousands)

(Statutory/Budgetary Basis)	STATE TRUNKLINE FUND (excluding Blue Water Bridge Fund)		
	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
REVENUES			
Taxes	\$ -	\$ -	\$ -
Federal aid	1,329,792	1,329,792	-
Local participation	37,761	37,761	-
Services	3,890	3,890	-
License and permits	17,596	17,596	-
Interest earnings	69,269	69,269	-
Non-operating revenue-bridges	3,871	3,871	-
Miscellaneous and Service revenue	74,370	74,370	-
Total Revenues	1,536,548	1,536,548	-
EXPENDITURES AND ENCUMBRANCES			
Administration	1,028,530	939,832	88,697
Other grants	152,562	112,533	40,030
Airport development	-	-	-
Nonoperating expenditure-bridges	3,873	3,873	-
Total Administration and Operations	1,184,965	1,056,238	128,727
Roads and bridges	1,607,935	1,607,935	-
Other capital outlay	10,468	10,468	-
Total Capital Outlay	1,618,403	1,618,403	-
Total Expenditures and Encumbrances	2,803,368	2,674,641	128,727
Excess of Revenue Over(Under) Expenditures and Encumbrances	(1,266,820)	(1,138,093)	128,727
OTHER FINANCING SOURCES			
Capital Lease Acquisitions	-	-	-
Proceeds of sale of capital assets	1,429	1,429	-
Michigan transportation fund distribution	1,349,393	1,349,393	-
Grants and transfers from other funds	199,119	199,119	-
Proceeds from bonds and notes issued	-	-	-
Premium on bonds issued	-	-	-
Total Financing Sources	1,549,941	1,549,941	-
OTHER FINANCING USES			
Grants and transfers to other funds	6,526	6,526	-
Discount on bonds issued	-	-	-
Debt service	333,125	282,301	50,824
Total Financing Uses	339,650	288,827	50,824
Excess Other Financial Sources Over(Under) Other Financial Uses	1,210,291	1,261,115	50,824
Excess of Revenue and Other Financial Sources Over(Under) Expenditures, Encumbrances and Other Financial Uses	\$ (56,529)	123,021	\$ 179,551
RECONCILING ITEMS			
Encumbrances at September 30		134,818	
Funds not annually budgeted		-	
Net Reconciling Items		134,818	
Excess of Revenue and Other Financial Sources Over(Under)Expenditures and Other Financial Uses (GAAP Basis)		257,839	
FUND BALANCES (GAAP BASIS)			
Beginning balance - Restated		1,696,292	
Ending balances (GAAP Basis)		\$ 1,954,132	

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)
\$ -	\$ -	\$ -	\$ 13,314	\$ 13,314	\$ -
-	-	-	129,893	129,893	-
-	-	-	4	4	-
-	-	-	181	181	-
-	-	-	599	599	-
1,514	1,514	-	767	767	-
-	-	-	-	-	-
29,718	29,718	-	627	627	-
31,232	31,232	-	145,385	145,385	-
7,916	7,765	151	8,673	7,627	1,046
-	-	-	4,567	4,438	129
-	-	-	132,627	132,627	-
-	-	-	-	-	-
7,916	7,765	151	145,867	144,692	1,175
35,661	35,661	-	-	-	-
-	-	-	-	-	-
35,661	35,661	-	-	-	-
43,577	43,426	151	145,867	144,692	1,175
(12,346)	(12,194)	151	(482)	693	1,175
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
3	3	-	6,004	6,004	-
-	-	-	-	-	-
-	-	-	-	-	-
3	3	-	6,004	6,004	-
-	-	-	150	126	24
-	-	-	-	-	-
3,963	3,963	-	3,616	3,616	-
3,963	3,963	-	3,766	3,742	24
(3,960)	(3,960)	-	2,238	2,262	24
\$ <u>(16,306)</u>	<u>(16,155)</u>	\$ <u>151</u>	\$ <u>1,756</u>	2,955	\$ <u>1,199</u>
	8,458			1,074	
	-			-	
	8,458			1,074	
	(7,697)			4,029	
	36,982			29,406	
\$	<u>29,285</u>		\$	<u>33,435</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	(460,506)	370	-
Net Reconciling Items	(460,506)	370	-
Excess of Revenue and Other Financial Sources Over(Under)Expenditures and Other Financial Uses (GAAP Basis)	(460,506)	370	-
FUND BALANCES (GAAP BASIS)			
Beginning balance - Restated	868,212	8,404	-
Ending balances (GAAP Basis)	\$ 407,705	\$ 8,774	\$ -

TOTALS		
BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
\$ 13,314	\$ 13,314	\$ -
1,459,685	1,459,685	-
37,765	37,765	-
4,071	4,071	-
18,195	18,195	-
71,549	71,549	-
3,871	3,871	-
104,715	104,715	-
1,713,165	1,713,165	-
1,045,119	955,224	89,895
157,129	116,971	40,159
132,627	132,627	-
3,873	3,873	-
1,338,749	1,208,695	130,053
1,643,596	1,643,596	-
10,468	10,468	-
1,654,064	1,654,064	-
2,992,812	2,862,759	130,053
(1,279,648)	(1,149,595)	130,053
-	-	-
1,429	1,429	-
1,349,393	1,349,393	-
205,126	205,126	-
-	-	-
-	-	-
1,555,948	1,555,948	-
6,676	6,652	24
-	-	-
340,704	289,880	50,824
347,379	296,532	50,848
1,208,568	1,259,416	50,848
\$ (71,079)	109,821	\$ 180,901
	144,351	
	(460,137)	
	(315,786)	
	(205,965)	
	2,639,296	
	\$ 2,433,332	

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, 2024
(In Thousands)

(Statutory/Budgetary Basis)	STATE TRUNKLINE FUND (excluding Blue Water Bridge Fund)		
	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
REVENUES			
Taxes	\$ -	\$ -	\$ -
Federal aid	1,200,913	1,200,913	-
Local participation	13,364	13,364	-
Services	4,100	4,100	-
License and permits	17,094	17,094	-
Interest earnings	69,488	69,488	-
Non-operating revenue-bridges	3,773	3,773	-
Miscellaneous and Service revenue	47,284	47,284	-
Total Revenues	1,356,016	1,356,016	-
EXPENDITURES AND ENCUMBRANCES			
Administration	966,587	895,251	71,336
Other grants	140,322	112,389	27,933
Airport development	-	-	-
Nonoperating expenditure-bridges	3,773	3,773	-
Total Administration and Operations	1,110,682	1,011,413	99,269
Roads and bridges	1,573,522	1,573,522	-
Other capital outlay	9,526	9,526	-
Total Capital Outlay	1,583,047	1,583,047	-
Total Expenditures and Encumbrances	2,693,729	2,594,460	99,269
Excess of Revenue Over(Under) Expenditures and Encumbrances	(1,337,713)	(1,238,444)	99,269
OTHER FINANCING SOURCES			
Capital Lease Acquisitions	-	-	-
Proceeds of sale of capital assets	1,190	1,190	-
Michigan transportation fund distribution	1,293,573	1,293,573	-
Grants and transfers from other funds	198,178	198,178	-
Proceeds from bonds and notes issued	-	-	-
Premium on bonds issued	-	-	-
Total Financing Sources	1,492,941	1,492,941	-
OTHER FINANCING USES			
Grants and transfers to other funds	6,225	6,225	-
Discount on bonds issued	-	-	-
Debt service	336,160	253,650	82,510
Total Financing Uses	342,385	259,875	82,510
Excess Other Financial Sources Over(Under) Other Financial Uses	1,150,556	1,233,065	82,510
Excess of Revenue and Other Financial Sources Over(Under) Expenditures, Encumbrances and Other Financial Uses	\$ (187,157)	(5,378)	\$ 181,779
RECONCILING ITEMS			
Encumbrances at September 30		178,843	
Funds not annually budgeted		-	
Net Reconciling Items		178,843	
Excess of Revenue and Other Financial Sources Over(Under)Expenditures and Other Financial Uses (GAAP Basis)		173,465	
FUND BALANCES (GAAP BASIS)			
Beginning balance - Restated		1,522,828	
Ending balances (GAAP Basis)		\$ 1,696,292	

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)
\$ -	\$ -	\$ -	\$ 20,976	\$ 20,976	\$ -
-	-	-	269,939	269,939	-
-	-	-	2	2	-
-	-	-	385	385	-
-	-	-	476	476	-
4,410	4,410	-	296	296	-
-	-	-	-	-	-
22,147	22,147	-	4,336	4,336	-
26,557	26,557	-	296,410	296,410	-
7,356	7,337	19	8,505	8,384	121
-	-	-	109,782	109,713	69
-	-	-	174,174	174,174	-
-	-	-	-	-	-
7,356	7,337	19	292,461	292,271	190
67,798	67,798	-	-	-	-
-	-	-	-	-	-
67,798	67,798	-	-	-	-
75,153	75,135	19	292,461	292,271	190
(48,597)	(48,578)	19	3,949	4,139	190
-	-	-	-	-	-
1	1	-	205	205	-
-	-	-	-	-	-
-	-	-	6,000	6,000	-
-	-	-	-	-	-
-	-	-	-	-	-
1	1	-	6,205	6,205	-
-	-	-	150	117	33
-	-	-	-	-	-
3,963	3,963	-	3,617	3,617	-
3,963	3,963	-	3,767	3,734	33
(3,962)	(3,962)	-	2,438	2,471	33
\$ (52,558)	(52,540)	\$ 19	\$ 6,387	6,610	\$ 223
	6,283			1,637	
	-			-	
	6,283			1,637	
	(46,257)			8,248	
	83,239			21,158	
\$	\$ 36,982		\$	\$ 29,406	

	Funds not Annually Budgeted		
(Statutory/Budgetary Basis)	COMBINED TRUNKLINE FUND BOND PROCEEDS FUND	COMBINED COMPREHENSIVE TRANSPORTATION BOND PROCEEDS FUND	TRANSPORTATION RELATED TRUST FUND
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	(712,251)	5,396	-
Net Reconciling Items	(712,251)	5,396	-
Excess of Revenue and Other Financial Sources Over(Under)Expenditures and Other Financial Uses (GAAP Basis)	(712,251)	5,396	-
FUND BALANCES (GAAP BASIS)			
Beginning balance - Restated	1,580,462	3,008	-
Ending balances (GAAP Basis)	\$ 868,212	\$ 8,404	\$ -

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

TOTALS		
BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
\$ 20,976	\$ 20,976	\$ -
1,470,852	1,470,852	-
13,366	13,366	-
4,486	4,486	-
17,569	17,569	-
74,195	74,195	-
3,773	3,773	-
73,767	73,767	-
1,678,983	1,678,983	-
982,447	910,972	71,475
250,105	222,102	28,003
174,174	174,174	-
3,773	3,773	-
1,410,498	1,311,021	99,478
1,641,319	1,641,319	-
9,526	9,526	-
1,650,845	1,650,845	-
3,061,343	2,961,866	99,478
(1,382,360)	(1,282,882)	99,478
-	-	-
1,396	1,396	-
1,293,573	1,293,573	-
204,178	204,178	-
-	-	-
-	-	-
1,499,147	1,499,147	-
6,375	6,342	33
-	-	-
343,740	261,230	82,510
350,115	267,572	82,543
1,149,032	1,231,575	82,543
\$ (233,328)	(51,307)	\$ 182,021
	186,763	
	(706,855)	
	(520,092)	
	(571,399)	
	3,210,695	
	\$ 2,639,296	

MICHIGAN DEPARTMENT OF TRANSPORTATION
DESCRIPTIONS OF DEBT SERVICE FUNDS
FISCAL YEAR ENDED SEPTEMBER 30, 2025

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, 2025 and 2024
(In Thousands)

	COMBINED STATE TRUNKLINE BOND AND INTEREST REDEMPTION FUND		COMBINED COMPREHENSIVE TRANSPORTATION BOND AND INTEREST REDEMPTION FUND		TOTALS	
	2025	2024	2025	2024	2025	2024
ASSETS						
Current Assets:						
Equity in Common Cash	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Amounts due from other funds	-	-	-	-	-	-
Other Current Assets	-	-	-	-	-	-
Total Assets	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
LIABILITIES AND FUND BALANCES						
Current Liabilities:						
Warrants Outstanding	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts payable and other liabilities	-	-	-	-	-	-
Amounts due to other funds	-	-	-	-	-	-
Total Liabilities	-	-	-	-	-	-
Fund Balances:						
Unreserved	-	-	-	-	-	-
Total Fund Balances	-	-	-	-	-	-
Total Liabilities and Fund Balances	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

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, 2025 and 2024
(In Thousands)

	COMBINED STATE TRUNKLINE BOND AND INTEREST REDEMPTION FUND		COMBINED COMPREHENSIVE TRANSPORTATION BOND AND INTEREST REDEMPTION FUND		TOTALS	
	2025	2024	2025	2024	2025	2024
REVENUES						
Interest earnings	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Miscellaneous	3	3	-	-	4	3
Total Revenues	3	3	-	-	4	3
EXPENDITURES						
Administration	-	-	-	-	-	-
Costs of issuance	3	3	-	-	3	3
Bond principal retirement	138,875	123,695	2,685	2,555	141,560	126,250
Bond interest and fiscal charges	147,389	133,918	931	1,062	148,320	134,980
Total Expenditures	286,267	257,616	3,616	3,617	289,883	261,233
Excess of Revenues Over (Under) Expenditures	(286,264)	(257,613)	(3,616)	(3,617)	(289,880)	(261,230)
OTHER FINANCING SOURCES						
Proceeds from refunding bond issues	-	-	-	-	-	-
Proceeds from bond issues other than refunding	-	-	-	-	-	-
Premium on bonds issued	-	-	-	-	-	-
Transfer from State Aeronautics Fund	-	-	3,616	3,617	3,616	3,617
Transfer from State Trunkline Fund	286,264	257,613	-	-	286,264	257,613
Transfer from Comprehensive Transportation Fund	-	-	-	-	-	-
Total Other Financing Sources	286,264	257,613	3,616	3,617	289,880	261,230
OTHER FINANCING USES						
Payment to refunded bond escrow agent	-	-	-	-	-	-
Total Other Financing Uses	-	-	-	-	-	-
Excess of Other Sources Over (Under) Other Uses	286,264	257,613	3,616	3,617	289,880	261,230
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	-	-	-	-	-	-
Fund balances-Beginning of fiscal year	-	-	-	-	-	-
Fund balances-End of fiscal year	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

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



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2025

ANNUAL FINANCIAL REPORT

Statistical Section





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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, 2025
(In Thousands)

	2015-2016	2016-2017	2017-2018
REVENUES AND OTHER SOURCES:			
Michigan Transportation Fund	\$ 2,072,328	\$ 2,617,638	\$ 2,808,250
State Trunkline Fund			
Economic Development	54,332	26,440	53,272
Road and Bridge Program	1,714,350	1,954,893	1,943,524
Blue Water Bridge Fund	21,285	22,281	22,414
Comprehensive Transportation Fund	352,243	376,541	406,879
Aeronautics Fund	72,616	96,279	106,234
Transportation Related Trust Fund	264,737	283,877	276,163
1992 State Trunkline Bond Proceeds Fund	-	-	-
1994 State Trunkline Bond Proceeds Fund	-	-	-
2001 Build Michigan III Bond Proceeds Fund	-	-	-
2001 & 2002 Build Michigan II Grant Anticipation Note Proceeds Fund	-	-	-
2002 & 2003 Comprehensive Transportation Bond Proceeds Fund	75	3,390	1,820
2004 State Trunkline Bond Proceeds Fund	(8)	-	-
2011 State Trunkline Bond Proceeds Fund	2,977	6	16,066
Rebuilding Michigan Bond Program	-	-	-
Economic Stimulus Bonds	4,031	4,483	1,491
Jobs Today Bond Proceeds Fund	57,499	112,582	20,552
Blue Water Bridge Plaza Series Bonds	5	1	16
	<u>5</u>	<u>1</u>	<u>16</u>
TOTAL REVENUES AND OTHER SOURCES	\$ <u>4,616,470</u>	\$ <u>5,498,411</u>	\$ <u>5,656,681</u>
EXPENDITURES AND OTHER USES:			
Michigan Transportation Fund	\$ 2,072,328	\$ 2,617,638	\$ 2,808,250
State Trunkline Fund			
Economic Development	49,226	36,232	51,330
Traditional Program	1,695,233	1,976,204	1,983,756
Blue Water Bridge Fund	24,331	15,986	18,916
Comprehensive Transportation Fund	358,385	358,983	344,360
Aeronautics Fund	73,243	100,109	105,638
Transportation Related Trust Fund	264,737	283,877	276,163
1992 State Trunkline Bond Proceeds Fund	-	-	-
1994 State Trunkline Bond Proceeds Fund	-	-	-
2001 Build Michigan III Bond Proceeds Fund	-	-	1
2001 & 2002 Build Michigan II Grant Anticipation Note Proceeds Fund	-	-	-
2002 & 2003 Comprehensive Transportation Bond Proceeds Fund	2,611	6,085	1,270
2004 State Trunkline Bond Proceeds Fund	(8)	-	-
2011 State Trunkline Bond Proceeds Fund	6,124	1,037	122
Rebuilding Michigan Bond Program	-	-	-
Economic Stimulus Bonds	2	-	-
Jobs Today Bond Proceeds Fund	34,858	43,721	37,783
Blue Water Bridge Plaza Series Bonds	(318)	344	-
	<u>(318)</u>	<u>344</u>	<u>-</u>
TOTAL EXPENDITURES AND OTHER USES	\$ <u>4,580,752</u>	\$ <u>5,440,216</u>	\$ <u>5,627,589</u>

MICHIGAN DEPARTMENT OF TRANSPORTATION
SCHEDULE OF REVENUES AND EXPENDITURES
SPECIAL REVENUE FUNDS AND CAPITAL PROJECTS FUNDS
LAST TEN YEARS
SEPTEMBER 30, 2025
(In Thousands)

2018-2019	2019-2020	2020-2021	2021-2022	2022-2023	2023-2024	2024-2025
\$ 3,124,744	\$ 3,169,811	\$ 3,446,105	\$ 3,549,182	\$ 3,752,226	\$ 3,819,187	\$ 3,980,418
54,603	41,348	40,694	51,734	54,995	56,463	57,394
2,253,215	2,576,240	2,511,949	2,798,981	2,839,488	2,906,997	3,029,206
22,668	17,866	16,212	25,627	24,348	26,558	31,235
406,153	421,490	427,678	491,977	538,160	522,983	548,791
97,392	255,389	218,833	202,837	235,475	302,615	151,389
269,615	346,062	327,052	338,748	381,130	387,115	395,798
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
1,264	229	379	503	941	-	-
-	-	-	-	-	-	-
(1,752)	275	(260)	2	17	-	-
-	1,048,174	1,009,938	9,428	1,341,010	70,673	31,856
31,458	20,004	42,240	-	-	-	-
6,210	30,062	7,264	42	12	5	-
8	1	1	1	5	-	-
<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>	<u>\$ 8,092,596</u>	<u>\$ 8,226,087</u>
\$ 3,124,743	\$ 3,169,811	\$ 3,446,105	\$ 3,549,182	\$ 3,752,226	\$ 3,819,187	\$ 3,980,418
58,219	47,843	46,387	43,425	44,558	36,938	32,776
2,204,072	2,515,171	2,353,060	2,503,371	2,683,166	2,745,446	2,795,984
22,314	16,930	16,895	19,436	19,407	72,815	38,931
373,106	410,776	409,330	413,529	451,285	458,168	480,738
93,350	255,054	217,879	199,716	234,953	294,367	147,360
269,615	346,062	327,052	338,748	381,130	387,115	395,798
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
2,644	7,267	386	300	2,393	161	6
-	-	-	-	-	-	-
1	14	33	1	1	389	-
-	36,452	296,920	654,030	810,355	782,422	492,362
-	-	-	-	-	-	-
35,863	81,155	117,650	50,261	13	6	-
-	-	3	-	-	112	-
<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>	<u>\$ 8,597,126</u>	<u>\$ 8,364,373</u>

MICHIGAN DEPARTMENT OF TRANSPORTATION
SCHEDULE OF REVENUES, EXPENDITURES & CHANGES IN FUND BALANCES
ECONOMIC DEVELOPMENT FUND
FISCAL YEARS ENDED SEPTEMBER 30, 2025 and 2024
(In Thousands)

	2025	2024
REVENUES AND OTHER SOURCES		
Licenses and permits	\$ 10,124	\$ 9,557
Federal aid	-	-
Local participation	-	-
Interest earnings	6,186	6,026
Michigan Transportation Fund distribution	40,275	40,275
Miscellaneous	809	605
Fees	-	-
Total Revenues and Other Sources	<u>57,394</u>	<u>56,463</u>
EXPENDITURES AND OTHER USES		
Administration	452	448
Forest roads	5,000	5,000
Target industries-state takeovers	10,960	13,218
Rural county urban system	3,018	2,655
Urban county congestion	3,011	5,657
Rural county primary	7,962	7,993
Community Service Infrastructure Fund	686	280
Special Projects	-	-
Debt service	1,687	1,688
Total Expenditures and Other Uses	<u>32,776</u>	<u>36,938</u>
Excess of Revenue and Other Sources Over (Under) Expenditures and Other Uses	<u>24,618</u>	<u>19,525</u>
Fund Balances-Beginning of fiscal year	122,928	103,404
Fund Balances-Adjustments	-	-
Fund Balances-End of fiscal year	<u>\$ 147,546</u>	<u>\$ 122,928</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, 2025 (In Thousands)

	<u>Construction Supervision</u>	<u>Preliminary Engineering</u>	<u>Right-of-Way</u>	<u>Utility Relocation</u>
STATE TRUNKLINE FUND				
Roads and bridges	\$ 236,905	\$ 232,052	\$ 81,055	\$ 1,249
Economic development fund	14	-	-	-
Work orders - state facilities	-	-	-	-
Subtotal	<u>236,919</u>	<u>232,052</u>	<u>81,055</u>	<u>1,249</u>
BLUE WATER BRIDGE FUND	<u>(121)</u>	<u>10,229</u>	<u>18</u>	<u>501</u>
Subtotal	<u>(121)</u>	<u>10,229</u>	<u>18</u>	<u>501</u>
STATE AERONAUTICS AND GENERAL FUNDS				
Airport development	-	4,794	829	-
Work orders - state facilities	-	-	-	-
Subtotal	<u>-</u>	<u>4,794</u>	<u>829</u>	<u>-</u>
COMPREHENSIVE TRANSPORTATION FUND				
Rail freight	-	-	-	-
Bus transit	-	-	-	-
Intercity bus, rail, water	-	-	-	-
Subtotal	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
BOND PROCEEDS FUNDS				
State Trunkline Fund	77,118	7,848	159	22
Comprehensive Transportation Fund	-	-	-	-
Aeronautics Fund	-	-	-	-
Subtotal	<u>\$77,118</u>	<u>7,848</u>	<u>159</u>	<u>22</u>
Total Capital Acquisitions	<u>\$ 313,916</u>	<u>\$ 254,923</u>	<u>\$ 82,061</u>	<u>\$ 1,771</u>

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

FISCAL YEAR ENDED SEPTEMBER 30, 2025 (In Thousands)

<u>Physical Construction</u>	<u>Special Projects</u>	<u>Other Activities</u>	<u>Totals</u>
\$ 1,279,174	\$ -	\$ 96,095	\$ 1,926,531
25,331	-	-	25,345
-	-	5,285	5,285
<u>1,304,506</u>	<u>-</u>	<u>101,380</u>	<u>1,957,160</u>
18,338	-	1,532	30,497
<u>18,338</u>	<u>-</u>	<u>1,532</u>	<u>30,497</u>
135,691	-	(42)	141,272
-	-	-	-
<u>135,691</u>	<u>-</u>	<u>(42)</u>	<u>141,272</u>
-	-	1,458	1,458
-	-	382,034	382,034
29,103	-	209,937	239,040
<u>29,103</u>	<u>-</u>	<u>593,429</u>	<u>622,532</u>
431,518	-	46	516,710
-	-	4	4
-	-	-	-
<u>431,518</u>	<u>-</u>	<u>50</u>	<u>516,714</u>
\$ <u><u>1,919,155</u></u>	\$ <u><u>-</u></u>	\$ <u><u>696,349</u></u>	\$ <u><u>3,268,175</u></u>

MICHIGAN DEPARTMENT OF TRANSPORTATION
CONSTRUCTION AND CAPITAL PROPERTY ACQUISITIONS
BY FUNCTIONAL ACTIVITY
FISCAL YEAR ENDED SEPTEMBER 30, 2024
(In Thousands)

	<u>Construction Supervision</u>	<u>Preliminary Engineering</u>	<u>Right-of-Way</u>
STATE TRUNKLINE FUND			
Roads and bridges	\$ 222,912	\$ 214,270	\$ 47,001
Economic development fund	2	387	-
Work orders - state facilities	-	-	-
Subtotal	<u>222,914</u>	<u>214,657</u>	<u>47,001</u>
BLUE WATER BRIDGE FUND	<u>4,843</u>	<u>5,452</u>	<u>1,879</u>
Subtotal	<u>4,843</u>	<u>5,452</u>	<u>1,879</u>
STATE AERONAUTICS AND GENERAL FUNDS			
Airport development	-	6,662	3,556
Work orders - state facilities	-	-	-
Subtotal	<u>-</u>	<u>6,662</u>	<u>3,556</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	105,407	16,813	370
Comprehensive Transportation Fund	-	-	-
Aeronautics Fund	-	-	-
Subtotal	<u>105,407</u>	<u>16,813</u>	<u>370</u>
Total Capital Acquisitions	\$ <u><u>333,164</u></u>	\$ <u><u>243,584</u></u>	\$ <u><u>52,806</u></u>

<u>Utility Relocation</u>	<u>Physical Construction</u>	<u>Special Projects</u>	<u>Other Activities</u>	<u>Totals</u>
\$ 70	\$ 1,214,203	\$ -	\$ 73,291	\$ 1,771,748
-	29,680	-	-	30,069
-	-	-	2,766	2,766
70	1,243,884	-	76,057	1,804,584
27,698	26,401	-	202	66,475
27,698	26,401	-	202	66,475
-	172,539	-	10,241	192,997
-	-	-	-	-
-	172,539	-	10,241	192,997
-	-	-	324	324
-	-	-	380,157	380,157
-	1,419	-	182,055	183,473
-	1,419	-	562,536	563,954
-	703,394	-	262	826,246
-	-	-	15	15
-	-	-	-	-
-	703,394	-	277	826,261
\$ <u>27,769</u>	\$ <u>2,147,637</u>	\$ <u>-</u>	\$ <u>649,312</u>	\$ <u>3,454,272</u>

Michigan Department of Transportation
Schedule of Expenditures of Federal Awards
Fiscal Year Ended September 30, 2025

						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:									
Buses and Bus Facilities Formula, Competitive, and Low or No Emissions Programs	20.526	Y			N	-	-	11,114,433.40	11,114,433.40
Total Federal Transit Cluster						-	-	11,114,433.40	11,114,433.40
Transit Services Programs Cluster									
Direct Programs:									
Enhanced Mobility of Seniors and Individuals with Disabilities	20.513	Y			N	-	-	6,203,726.11	6,203,726.11
Enhanced Mobility of Seniors and Individuals with Disabilities - Covid19/ARPA	20.513	Y			N	-	-	38,010.00	38,010.00
New Freedom Program	20.521	Y			N	-	-	(0.04)	(0.04)
Total Transit Services Programs Cluster						-	-	6,241,736.07	6,241,736.07
FMCSA Cluster									
Direct Programs:									
Motor Carrier Safety Assistance	20.218	Y			N	-	-	727,598.21	727,598.21
Motor Carrier Safety Assistance High Priority Activities Grants and Cooperative Agreements	20.237	Y			N	537,240.46	-	-	537,240.46
Total FMCSA Cluster						537,240.46	-	727,598.21	1,264,838.67
Direct Programs:									
Airport Improvement Program (Note 1)	20.106	Y			N	27,485,021.28	-	-	27,485,021.28
Airport Improvement Program - COVID19/CRRSAA Funds (Note 1)	20.106	Y			N	121,481.21	-	-	121,481.21
Airport Improvement Program - COVID19/ARPA Funds (Note 1)	20.106	Y			N	673,498.83	-	-	673,498.83
Highway Research and Development Program	20.200	Y			Y	1,856,210.83	-	183,240.79	2,039,451.62
Highway Planning and Construction	20.205	Y			N	1,600,962,565.22	-	28,534,758.81	1,629,497,324.03
Highway Planning and Construction - Covid19/CRRSAA funds	20.205	Y			N	45,490,134.01	-	-	45,490,134.01
Highway Planning and Construction	20.205	Y			Y	3,612,441.99	-	-	3,612,441.99
Highway Training and Education	20.215	Y			N	-	-	199,282.98	199,282.98
Recreational Trails Program	20.219	Y			N	2,034,058.10	-	-	2,034,058.10
Federal Lands Access Program	20.224	Y			N	2,983,698.72	-	-	2,983,698.72
Consolidated Rail Infrastructure and Safety Improvements	20.325	Y			N	17,632,092.52	-	-	17,632,092.52
Federal-State Partnership for Intercity Passenger Rail	20.326	Y			N	9,479,460.56	-	-	9,479,460.56
Metropolitan Transportation Planning and State and Non-Metropolitan Planning and Research	20.505	Y			N	-	-	5,803,854.69	5,803,854.69
Formula Grants for Rural Areas and Tribal Transit Program	20.509	Y			N	3,616,224.05	-	35,073,037.45	38,689,261.50
Formula Grants for Rural Areas and Tribal Transit Program - COVID19/ARPA Funds	20.509	Y			N	467,365.00	-	727,547.00	1,194,912.00
Formula Grants for Rural Areas and Tribal Transit Program - COVID19/CARES Funds	20.509	Y			N	-	-	116,916.50	116,916.50
Formula Grants for Rural Areas and Tribal Transit Program - COVID19/CRRSAA Funds	20.509	Y			N	107,239.23	-	545,000.89	652,240.12
Rail Fixed Guideway Public Transportation System State Safety Oversight									
Formula Grant Program	20.528	Y			N	319,199.58	-	-	319,199.58
Public Transportation Innovation	20.530	Y			N	115,012.37	-	-	115,012.37
National Infrastructure Investments	20.933	Y			N	3,778,047.01	-	2,144,801.48	5,922,848.49
National Significant Freight and Highway Projects	20.934	Y			N	14,939,765.99	-	-	14,939,765.99
Rural Surface Transportation Grant Program	20.938	Y			N	13,245,777.07	-	-	13,245,777.07
Strengthening Mobility and Revolutionizing Transportation (SMART) Grants Program	20.941	Y			N	1,438,681.49	-	-	1,438,681.49
Asset Concessions and Innovative Finance Assistance	20.945	Y			N	120,814.70	-	-	120,814.70
CORONAVIRUS STATE AND LOCAL FISCAL RECOVERY FUNDS	21.027	Y			N	38,346,344.64	-	21,206,794.62	59,553,139.26
Total Direct Programs						1,788,825,134.40	-	94,535,235.21	1,883,360,369.61
Total U.S. Department of Transportation						1,789,362,374.86	-	112,619,002.89	1,901,981,377.75
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						1,789,912,374.86	-	112,619,002.89	1,902,531,377.75

* 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, 2024

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)	Distributed to Subrecipients			
						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:									
Federal Transit Capital Investment Grants	20.500	Y			N			(12,681.60)	(12,681.60)
Buses and Bus Facilities Formula, Competitive, and Low or No									
Emissions Programs	20.526	Y			N	-	-	18,735,213.45	18,735,213.45
Total Federal Transit Cluster						-	-	18,722,531.85	18,722,531.85
Transit Services Programs Cluster									
Direct Programs:									
Enhanced Mobility of Seniors and Individuals with Disabilities	20.513	Y			N	-	-	6,057,313.62	6,057,313.62
Enhanced Mobility of Seniors and Individuals with Disabilities -									
Covid19/ARPA	20.513	Y			N	-	-	(2,715.00)	(2,715.00)
Total Transit Services Programs Cluster						-	-	6,054,598.62	6,054,598.62
Highway Safety Cluster									
Direct Programs:									
National Priority Safety Programs	20.616	N	State Police		N	287,295.00	-	-	287,295.00
Total Highway Safety Cluster						287,295.00	-	-	287,295.00
FMCSA Cluster									
Direct Programs:									
Motor Carrier Safety Assistance	20.218	Y			N	-	-	2,615,678.64	2,615,678.64
Motor Carrier Safety Assistance High Priority Activities Grants and									
Cooperative Agreements	20.237	Y			N	454,262.89	-	-	454,262.89
Total FMCSA Cluster						454,262.89	-	2,615,678.64	3,069,941.53
Direct Programs:									
Airport Improvement Program (Note 1)	20.106	Y			N	34,599,355.52	-	-	34,599,355.52
Airport Improvement Program - COVID19/CARES Funds (Note 1)	20.106	Y			N	805,211.54	-	-	805,211.54
Airport Improvement Program - COVID19/CRRSAA Funds (Note 1)	20.106	Y			N	391,857.00	-	-	391,857.00
Airport Improvement Program - COVID19/ARPA Funds (Note 1)	20.106	Y			N	1,075,237.35	-	-	1,075,237.35
Highway Research and Development Program	20.200	Y			Y	3,055,247.32	-	129,188.43	3,184,435.75
Highway Planning and Construction	20.205	Y			N	1,492,412,046.38	-	26,527,862.36	1,518,939,908.74
Highway Planning and Construction - Covid19/CRRSAA funds	20.205	Y			N	44,544,534.61	-	5,102.74	44,549,637.35
Highway Planning and Construction	20.205	Y			Y	6,315,398.77	-	-	6,315,398.77
Highway Training and Education	20.215	Y			N	-	-	208,323.66	208,323.66
Recreational Trails Program	20.219	Y			N	3,491,299.03	-	-	3,491,299.03
Federal Lands Access Program	20.224	Y			N	848,068.55	-	-	848,068.55
Consolidated Rail Infrastructure and Safety Improvements	20.325	Y			N	429,527.19	-	-	429,527.19
Federal-State Partnership for Intercity Passenger Rail	20.326	Y			N	6,262,148.93	-	-	6,262,148.93
Metropolitan Transportation Planning and State and Non-Metropolitan									
Planning and Research	20.505	Y			N	-	-	5,880,258.81	5,880,258.81
Formula Grants for Rural Areas and Tribal Transit Program	20.509	Y			N	2,298,750.00	-	30,571,274.66	32,870,024.66
Formula Grants for Rural Areas and Tribal Transit Program -									
COVID19/ARPA Funds	20.509	Y			N	-	-	3,490,418.78	3,490,418.78
Formula Grants for Rural Areas and Tribal Transit Program -									
COVID19/CARES Funds	20.509	Y			N	5,250.00	-	5,876,231.72	5,881,481.72
Formula Grants for Rural Areas and Tribal Transit Program -									
COVID19/CRRSAA Funds	20.509	Y			N	463,815.68	-	1,984,522.06	2,448,337.74
Rail Fixed Guideway Public Transportation System State Safety Oversight									
Formula Grant Program	20.528	Y			N	236,377.28	-	-	236,377.28
Public Transportation Innovation	20.530	Y			N	159,322.00	-	-	159,322.00
National Infrastructure Investments	20.933	Y			N	2,726,800.54	-	25,910.40	2,752,710.94
National Significant Freight and Highway Projects	20.934	Y			N	2,791.73	-	-	2,791.73
Strengthening Mobility and Revolutionizing Transportation (SMART) Grants									
Program	20.941	Y			N	996,351.26	-	-	996,351.26
CORONAVIRUS STATE AND LOCAL FISCAL RECOVERY FUNDS	21.027	Y			N	3,798,062.93	-	45,520,502.89	49,318,565.82
Total Direct Programs						1,604,917,453.61	-	120,219,596.51	1,725,137,050.12
Total U.S. Department of Transportation						1,605,659,011.50	-	147,612,405.62	1,753,271,417.12
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						1,606,209,011.50	-	147,612,405.62	1,753,821,417.12

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

MICHIGAN DEPARTMENT OF TRANSPORTATION
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FISCAL YEAR ENDING SEPTEMBER 30, 2025

1. Federal expenditures of \$101,570,410.38 for the Airport Improvement Program, Infrastructure Investment and Jobs Act Programs, and COVID-19 Airports Programs (ALN 20.106) channeled to primary airports for fiscal year 2025 are not included in the SEFA. Included in this amount are Coronavirus Aid, Relief, and Economic Security (CARES) Act expenditures totaling \$434,965.38, Coronavirus Response and Relief Supplemental Appropriations Act of 2021 (CRRSAA) expenditures totaling \$1,043,343, and American Rescue Plan Act of 2021 expenditures totaling \$2,032,129.92. 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, 2024

1. Federal expenditures of \$233,029,925.05 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 2024 are not included in the SEFA. Included in this amount are Coronavirus Aid, Relief, and Economic Security (CARES) Act expenditures totaling \$14,433,684.68, Coronavirus Response and Relief Supplemental Appropriations Act of 2021 (CRRSAA) expenditures totaling \$425,780.12, and American Rescue Plan Act of 2021 expenditures totaling \$93,990,039.01. The Federal Aviation Administration (FAA) determined that the Michigan Department of Transportation 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.



**Serving and connecting people, communities,
and the economy through transportation.**