

ANNUAL REPORT

of the Michigan State Treasurer



2015-2016

Rick Snyder, Governor | Nick A. Khouri, Treasurer

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Note: Dollar figures in financial tables represent thousands of dollars unless indicated otherwise. Figures may not add to totals because of rounding.



STATE OF MICHIGAN
DEPARTMENT OF TREASURY
LANSING

RICK SNYDER
GOVERNOR

NICK A. KHOURI
STATE TREASURER

The Honorable Rick Snyder
Members of the Michigan Legislature
People of the State of Michigan

Attached for your review is the Annual Report of the Michigan State Treasurer for Fiscal Year (FY) 2015-2016. This report contains financial information regarding the State Treasurer's Common Cash Fund; Investment Portfolios and Revenues; Michigan's General Obligation Debt, Bond, and Note Payments; as well as State Administered Tax Revenues collected during FY 2016.

Sincerely,

A handwritten signature in black ink, appearing to read "N.A. Khouri", with a long horizontal stroke extending to the right.

N.A. Khouri
State Treasurer

Schedule 1



State Treasurer's Common Cash - Assets and Equities (In Thousands of Dollars)

	Fiscal Year Ended September 30	
	<u>2016</u>	<u>2015</u>
<u>Assets</u>		
Demand Deposits	\$ 1,384,012	\$ 1,310,652
Prime Commercial Paper - At Cost	3,942,681	3,541,989
Emergency Municipal Loans	293,431	139,846
Total	<u>\$ 5,620,124</u>	<u>\$ 4,992,487</u>
 <u>Equities</u>		
Available Equity of Other Funds	\$ 5,488,675	\$ 4,915,314
Outstanding Warrants	131,449	77,173
Total	<u>\$ 5,620,124</u>	<u>\$ 4,992,487</u>

Schedule 2



Investment Portfolios of Specific Funds (In Thousands of Dollars)

Fund	Short-Term Investments	Fixed Income Securities	Equities and Mutual Funds	Real Estate and Infrastructure	Private Equity	Absolute Return	International Equities	FY Ended Sept. 30	
								2016 Total	2015 Total
Legislative Retirement	\$ 1,292	\$ 29,949	\$ 105,879	\$ -0-	\$ 16,267	\$ -0-	\$ -0-	\$ 153,387	\$ 154,736
State Police Retirement	51,972	182,339	361,880	147,543	212,754	210,734	220,344	1,387,566	1,322,480
State Employees' Retirement	464,715	1,637,286	3,248,470	1,324,805	1,907,771	1,891,909	1,977,603	12,452,559	11,928,714
Public School Employees' Retirement	2,240,096	6,258,404	12,418,742	5,064,233	7,296,798	7,233,372	7,563,276	48,074,921	46,304,020
Judges' Retirement	9,150	33,668	66,826	27,238	39,258	38,931	40,699	255,770	257,824
Michigan Veterans' Trust	2,943	27,056	15,689	-0-	9,724	-0-	-0-	55,412	52,838
Game & Fish Lifetime License Trust	15,040	1,817	-0-	-0-	-0-	-0-	-0-	16,857	17,125
Game & Fish Protection Trust	2,153	100,038	81,749	-0-	52,890	-0-	-0-	236,830	218,281
Michigan Natural Resources Trust	37,864	331,988	191,612	-0-	151,135	-0-	-0-	712,599	678,551
Michigan State Parks Endowment	7,554	130,810	82,211	-0-	59,776	-0-	-0-	280,351	259,145
Children's Trust	2,941	11,594	6,327	-0-	5,931	-0-	-0-	26,793	25,312
Michigan Nongame Fish and Wildlife Trust	2,714	4,602	743	-0-	-0-	-0-	-0-	8,059	6,776
State Lottery	4,319	213,426	-0-	-0-	-0-	-0-	-0-	217,745	221,600
Michigan Education Trust	57,994	330,909	447,896	-0-	147,143	-0-	-0-	983,942	931,983
Mackinac Bridge Authority	10,328	70,587	-0-	-0-	-0-	-0-	-0-	80,915	69,596
Gift, Bequests and Deposits Investment	26,220	16,898	12	-0-	-0-	-0-	-0-	43,130	38,998
Totals	\$ 2,937,295	\$ 9,381,371	\$ 17,028,036	\$ 6,563,819	\$ 9,899,447	\$ 9,374,946	\$ 9,801,922	\$ 64,986,836	\$ 62,487,979

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

Schedule 3



Investment Revenues (In Thousands of Dollars)

Fund	Common Cash	Specific Funds	Total Revenues Fiscal Year Ended September 30	
			2016	2015
General	\$ 1,124	\$ -0-	\$ 1,124	\$ 620
Game and Fish Lifetime License Trust	22	104	126	45
State Aeronautics	7	-0-	7	7
Michigan Veterans' Benefit Trust	6	4,332	4,338	1,403
State Trunkline	2,259	-0-	2,259	647
Michigan State Waterways	81	-0-	81	22
Blue Water Bridge	208	-0-	208	71
Michigan Transportation	467	-0-	467	143
Comprehensive Transportation	169	-0-	169	54
School Aid	618	-0-	618	478
Game and Fish Protection Trust	23	20,365	20,388	3,937
State Park Improvement	93	-0-	93	21
Forest Development	80	-0-	80	18
Michigan Natural Resources Trust	147	56,587	56,734	13,805
Michigan State Parks Endowment	76	21,998	22,074	4,285
Safety Education and Training	10	-0-	10	4
Bottle Deposits	126	-0-	126	42
State Construction Code	17	-0-	17	2
Children's Trust	4	2,016	2,020	614
Homeowner Construction Lien Recovery	1	-0-	1	-0-
Michigan Nongame Fish and Wildlife	7	378	385	94
21st Century Jobs Trust	1,117	-0-	1,117	366
Michigan Merit Award Trust	181	-0-	181	102
State Trunkline Bond Proceeds	110	-0-	110	57
Comprehensive Transportation Bond Proceeds	28	-0-	28	11
Outdoor Recreation Legacy	6	-0-	6	1
Off-Road Vehicle	31	-0-	31	8
Snowmobile	32	-0-	32	9
Michigan Settlement Administration Auth	-0-	-0-	-0-	66
Unemployment Obligation Trust	60	-0-	60	17
Liquor Purchasing Revolving	402	-0-	402	110
State Lottery	283	13,518	13,801	13,009

Schedule 3



Continued. . . (In Thousands of Dollars)

Fund	Common Cash	Specific Funds	Total Revenues Fiscal Year Ended September 30	
			2016	2015
Michigan Strategic	\$ 214	\$ -0-	\$ 214	\$ 91
Michigan State Housing Development	14	-0-	14	11
Land Bank Fast Track	31	-0-	31	4
Jobs For Michigan Investment	414	-0-	414	120
State Sponsored Group Insurance	990	-0-	990	283
State Water Pollution Control Loan	7	-0-	7	1
School Loan Revolving	3,299	-0-	3,299	349
Combined State Trunkline Bond and Interest Redemption	13	-0-	13	1
Combined Comprehensive Transportation Bond and Interest Redemption	(1)	-0-	(1)	-0-
Recreation & Environmental Protection Bond	3	-0-	3	1
Legislative Retirement	6	13,673	13,679	(6,943)
State Police Retirement	5	102,764	102,769	31,483
State Employees' Retirement	-0-	924,720	924,720	286,039
Public School Employees' Retirement	214	3,541,405	3,541,618	1,127,098
Judges' Retirement	3	19,339	19,342	6,641
Military Retirement Pension Fund	11	-0-	11	-0-
Michigan Employment Security Act Contingent	452	-0-	452	91
Military Family Relief	8	-0-	8	3
Intrastate Switched Toll Restruct.	3	-0-	3	1
Gifts, Bequests, and Deposits Investment	124	781	906	846
Silicosis, Dust Disease, and Logging Industry Compensation	4	-0-	4	1
Second Injury	32	-0-	32	10
Self-Insurers' Security	106	-0-	106	33
State Employees' Deferred Compensation I (457)	-0-	-0-	-0-	-0-
State Employees' Deferred Compensation II (401 (k))	1	-0-	1	-0-
State of Michigan MPSERS DC 457	10	-0-	10	4
Environmental Quality Deposits	9	-0-	9	4
Utility Consumer Representation	5	-0-	5	2
Transportation Related Trust	(40)	-0-	(40)	(8)
MPSERS DC 401K	2	-0-	2	-0-
Mackinac Bridge Authority	-0-	2,282	2,282	2,454
Michigan Education Trust	-0-	88,630	88,630	2,577
TOTALS	\$ 13,734	\$4,812,894	\$4,826,628	\$1,491,263

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

Notes to Financial Schedules



NOTE 1: SIGNIFICANT ACCOUNTING POLICIES

a. Report Presentation

The accompanying financial schedules report the assets and equities of the State Treasurer's common cash (Schedule 1), investment portfolios of specific funds (Schedule 2), and investment revenues of the common cash and specific funds (Schedule 3).

The State Treasurer's common cash and specific funds are accounted for in various funds of the State of Michigan and reported in the *State of Michigan Comprehensive Annual Financial Report*.

The *State of Michigan Comprehensive Annual Financial Report* provides more extensive general disclosures regarding the State Treasurer's common cash and deposits and investments. These disclosures provide information regarding market values and risk levels of the deposits and investments.

Common Cash Pool. The State Treasurer, under the authority provided by State statute, manages the State's common cash pool. The pooling of cash allows the State Treasurer to invest money not needed to pay immediate obligations so that investment earnings on available cash are maximized. Pool investments are not segregated by fund; rather, each contributing fund's balance is treated as equity in the common cash pool.

Investments. The State Treasurer, under authority provided by State statutes, manages most investments for the State of Michigan.

Short-Term Investments: This category includes each of the listed fund's individually held short-term investments by classification, the fund's equity in the State Treasurer's common cash pool, and receivables and payables pertaining to security trades not yet settled at fiscal year-end.

Alternative Investments: These investments consist of limited partnerships.

Derivatives: Derivatives are financial instruments whose value is derived from, or based on, an underlying security, asset, reference rate, or index. The State Treasurer only uses derivatives securities or related contractual agreements to hedge assets held or to replicate asset returns. Derivatives are not used for speculation or to leverage the investment portfolios.

The State Treasurer invests in derivatives as detailed below:

- *Fixed Income Investments (Derivatives - Future Contracts):* U.S. Treasury Bond Future Contracts are investments to manage duration and yield curve exposure. On September 30, 2016 and 2015, future contracts represent less than 0.1 percent of the fixed income investment category and less than 0.1 percent of the total pension trust funds.
- *Domestic Equity Investments (Derivatives - Option Contracts):* Option Contracts are investments on single securities to provide downside protection and enhance current income. On September 30, 2016 and 2015, option contracts represent less than 0.1 percent of the domestic equity investment category of the pension trust funds.
- *International Equity Investments (Derivatives - Swaps):* International equity investments swap agreements are investments tied to stock market indices in approximately 42 foreign countries and are the core of the international equity market investment strategy. On September 30, 2016 and 2015, the swap agreements represented 11.5 percent and 13.5 percent of the international equity investment category, respectively.
- *Domestic Equity Investments (Derivatives - Swaps):* Domestic equity swap agreements are investments tied to U.S. Stock indices. On September 30, 2016 and 2015, these swap agreements represent 0.03 percent and 0.2 percent of the domestic equity investment category, respectively.

The swap contractual agreements are made with large global banks and brokerage firms. On September 30, 2016 and 2015, they represent 1.8 percent and 1.8 percent of the total pension trust funds, respectively.

Separately issued financial reports including financial statements and required supplementary information are issued for the pension trust funds. These provide more extensive disclosure for derivatives.



b. Basis of Accounting

Schedule 1, *State Treasurer's Common Cash - Assets and Equities*, is presented on the cash basis of accounting. (*The State of Michigan Comprehensive Annual Financial Report's* disclosure regarding the State Treasurer's common cash includes \$2.0 million in interest receivable, because it is presented on the modified accrual basis of accounting.) Schedule 2, *Investment Portfolios of Specific Funds*, and Schedule 3, *Investment Revenues*, are reported on the accrual basis of accounting.

These financial schedules are not intended to constitute a complete financial presentation of either the Department of Treasury or the State's General Fund in accordance with accounting principles generally accepted in the United States of America.

c. Valuations of Investments

Schedule 1. All investments are reported at cost.

Demand deposits represent the account balance reported on bank statements and include deposits which are in the process of being collected through the banking system.

The market value of prime commercial paper and time deposits - regular at September 30, 2016 and 2015, was \$3,943.8 and \$3,542.3 million, respectively.

Schedule 2. Methods used to value investments.

All investments are reported at fair value. Securities traded on a national exchange are valued at last reported sales price. Investments that do not have an established market are reported at estimated fair value.

d. Securities Lending Transactions

Under the authority of Act No. 314 of the Public Acts of 1965, the State lends securities to broker-dealers and other entities for collateral that will be returned for the same securities in the future. The State's third-party agent, Credit Suisse, manages the securities lending program and receives cash collateral. The agent is not liable for any losses on the management of the cash collateral portfolio unless there is negligence or willful misconduct on its part. The collateral cash cannot be pledged or sold by the State and the State receives cash collateral in the amount of at least 100 percent of the market value of the securities lent. The types of securities lent are government securities, corporate bonds, and equities. There is no restriction on the amount of securities lent. Because the loans were terminable at will, their duration did not generally match the duration of the investments made with cash collateral. At September 30, 2016 and 2015, the State had no outstanding credit risk on the securities lent. The market value of the securities lent at September 30, 2016 and 2015, was \$4,248.4 and \$3,468.2 million, respectively. The amortized cost of the securities lending cash collateral pool at September 30, 2016 and 2015, was \$4,319.2 and \$3,526.2 million respectively. The market value of securities lending cash collateral pool at September 30, 2016 and 2015, was \$4,325.1 and \$3,526.7 million respectively.

NOTE 2: CHANGE IN REPORTING OF FUNDS

Effective for FY ended September 30, 2016:

Funds added to Schedule 3: Homeowner Construction Lien Recovery; Military Retirement; and MPSERS DC 401K.

Effective for FY ended September 30, 2015:

No funds were added or removed.

Cash and Investments

The State Treasurer manages the State's cash so funds not needed to pay immediate obligations are invested to earn income. Investments include time certificates of deposit and prime commercial paper as detailed in Schedule 1, *State Treasurer's Common Cash - Assets and Equities*.

Statutes also allow the State Treasurer to loan funds from the common cash pool to financially troubled municipalities in Michigan.

The common cash fund pools the cash balances of certain State funds until paid as provided by law.

Manageable common cash includes the following funds:

- General
- School Aid
- Budget Stabilization
- Special Revenue and Enterprise
- Internal Service
- Trust and Agency

The State Treasurer is authorized to transfer cash on hand and on deposit among the various funds in the State Treasury, except funds established to pay debts service on notes and bonds, in such a manner as to best manage the available cash, maximize short-term investment earnings, and ensure State obligations are paid when due.

Table 1



Investment Revenues for Fiscal Years (In Thousands of Dollars)

	General Fund Common Cash Earnings (Expenses) ^(a)	Public School Employees' Retirement	State Employees' Retirement	State Police Retirement	Judges' Retirement	Other Investment Funds	Totals
2016	\$ 1,124	\$ 3,541,618	\$ 924,720	\$ 102,769	\$ 19,342	\$ 237,055	\$ 4,826,628
2015	620	1,127,098	286,039	31,483	6,641	39,382	1,491,263
2014	530	6,682,047	1,679,814	186,612	38,064	206,705	8,793,772
2013	239	5,159,840	1,265,073	142,161	31,685	147,249	6,746,245
2012	(1,297)	5,735,829	1,379,714	155,136	35,594	281,462	7,586,438
2011	(722)	1,594,584	404,603	45,826	10,786	64,950	2,120,027
2010	(3,758)	3,846,693	927,685	104,319	22,723	176,040	5,073,702
2009	(3,076)	(2,591,269)	(652,076)	(74,793)	(20,709)	129,566	(3,212,357)
2008	(17,012)	(7,360,810)	(1,819,798)	(200,062)	(47,948)	9,025	(9,436,605)
2007	(25,140)	7,293,036	1,819,563	203,509	50,121	249,852	9,590,941

(a) See the table below for the annual total of earnings and distributions resulting in General Fund Common Cash Earnings (Expenses).

Fiscal Year Ending	Total State Treasurer's Common Cash Fund Earnings	Distribution of Earnings to Retirement and Other Funds Reported in Their Earnings	General Fund Common Cash Earnings (Expenses)
2016	\$13,734	\$12,610	\$1,124
2015	4,142	3,522	620
2014	3,119	2,589	530
2013	3,660	3,421	239
2012	2,246	3,543	(1,297)
2011	3,663	4,385	(722)
2010	2,901	6,659	(3,758)
2009	22,189	25,265	(3,076)
2008	68,893	85,905	(17,012)
2007	80,107	105,247	(25,140)

Table 2



Available Month-End Common Cash (In Millions of Dollars)

Month	Combined General Fund & School Aid Fund ^(a)	Other Funds	Manageable Common Cash ^(b)	Retirement Funds	Bond Funds ^{(c)(d)}	Total Common Cash
October 2015	1,863.6	3,306.0	5,169.7	118.8	196.8	5,485.3
November	1,511.3	3,328.6	4,840.0	187.4	185.6	5,213.0
December	1,266.0	3,244.0	4,510.0	208.2	57.6	4,775.8
January 2016	1,670.8	3,405.1	5,075.8	345.6	57.7	5,479.1
February	868.4	3,425.7	4,294.1	153.2	57.8	4,505.1
March	444.4	3,628.6	4,073.0	151.0	39.6	4,263.7
April	262.6	3,992.8	4,255.4	160.6	82.7	4,498.7
May	(7.5)	3,781.2	3,773.7	169.1	46.8	3,989.6
June	(309.9)	3,815.9	3,506.0	233.0	39.2	3,778.2
July	(83.4)	3,986.7	3,903.3	362.6	39.4	4,305.3
August	(300.1)	3,910.9	3,610.8	168.6	39.6	3,819.0
September	1,304.5	3,883.9	5,180.6	246.5	53.7	5,488.7

(a) In accordance with Governmental Accounting Standards Board (GASB) Statement No. 54 Fund Balance Reporting and Governmental Fund Type Definition the Budget Stabilization Fund is a committed subfund of the General Fund.

(b) Manageable Common Cash includes the General, School Aid, Budget Stabilization, Special Revenue, Enterprise, Internal Service, Trust, and Agency Funds.

(c) Includes Debt Service and Bond Funds.

(d) In accordance with Governmental Accounting Standards Board (GASB) Statement No. 54 Fund Balance Reporting and Governmental Fund Type Definition the School Bond Loan Fund, Environmental Protection Bond Fund, and the Clean Michigan Initiative Bond Fund – Environmental Projects and the Great Lakes Water Quality Bond Fund are restricted subfunds of the General Fund.

Table 3



Common Cash History (In Millions of Dollars)

Fiscal Year Ended	Combined General Fund and School Aid Fund	Budget Stabilization Fund ^(a)	Other Funds	Manageable Common Cash ^(b)	Retirement Funds	Bond Funds ^(c)	Total Common Cash
September 2007	(1,004.4)	2.1	2,396.9	1,394.6	133.7	423.4	1,951.7
September 2008	(616.6)	2.2	2,088.7	1,474.3	822.0	154.6	2,450.9
September 2009	(762.3)	2.2	1,843.8	1,083.7	138.7	317.4	1,539.8
September 2010	(373.7)	2.2	1,742.1	1,370.6	85.5	151.4	1,607.5
September 2011	1,025.1	2.2	2,109.5	3,136.8	244.5	109.9 ^(d)	3,491.2
September 2012	1,274.6	365.1	2,470.2	4,109.9	262.7	135.5 ^(d)	4,508.1
September 2013	1,586.5	505.6	2,727.2	4,819.3	521.2	82.3 ^(d)	5,422.8
September 2014	978.4	386.2	3,036.2	4,400.9	400.9	41.3 ^(d)	4,843.1
September 2015	818.8	498.1	3,395.3	4,712.3	177.7	32.5 ^(d)	4,922.4
September 2016	692.1	612.4	3,883.9	5,180.6	246.5	53.7 ^(d)	5,488.7

(a) The State implemented Governmental Accounting Standards Board (GASB) Statement No. 54 Fund Balance Reporting and Governmental Fund Type Definition during fiscal year 2011. As a result, the Budget Stabilization Fund was reclassified as a subfund of the General Fund.

(b) Manageable Common Cash includes the General, School Aid, Budget Stabilization, Special Revenue, Enterprise, Internal Service, Trust, and Agency Funds.

(c) Includes Debt Service and Bond Funds.

(d) During fiscal year 2011, the State implemented Governmental Accounting Standards Board (GASB) Statement No. 54 Fund Balance Reporting and Governmental Fund Type Definition. As a result, the School Bond Loan Fund, Environmental Protection Bond Fund, the Clean Michigan Initiative Bond Fund – Environmental Projects and the Great Lakes Water Quality Bond Fund were reclassified and are accounted for as restricted subfunds of the General Fund.

Table 4



State Treasurer's Common Cash Fund, Cash Balances, and Transactions by Fund (In Thousands of Dollars)

Fund	Cash Balances 10-1-15	Receipts ^(a)	Disbursements ^(b)	Transfers In	Transfers Out	Cash Balances 9-30-16	Warrants Outstanding	Available Balances 9-30-16
GENERAL AND SCHOOL AID								
General	\$ 2,161,508	\$ 43,910,833	\$ 43,727,394	\$ 1,753,942	\$ 1,905,603	\$ 2,193,285	\$ 113,230	\$ 2,080,055
Budget Stabilization ^(c)	498,149	118,290	4,080	-0-	-0-	612,359	-0-	612,359
School Aid	(1,287,766)	13,028,267	14,048,491	930,107	9,610	(1,387,493)	394	(1,387,887)
Total General and School Aid	\$ 1,371,892	\$ 57,057,390	\$ 57,779,966	\$ 2,684,049	\$ 1,915,213	\$ 1,418,151	\$ 113,623	\$ 1,304,528
SPECIAL REVENUE								
Game and Fish Protection	\$ 16,077	\$ 68,811	\$ 85,093	\$ 16,090	\$ 845	\$ 15,040	\$ 71	\$ 14,969
Michigan Employment Security Act-Administration	(6,614)	109,088	132,534	11,555	1,410	(19,916)	21	(19,937)
State Aeronautics	6,074	76,093	90,609	8,000	4,624	(5,065)	25	(5,090)
Michigan Veterans' Trust	632	17,829	15,509	-0-	8	2,943	2	2,941
State Trunkline	815,059	898,372	1,557,118	887,920	208,376	835,856	4,349	831,507
Michigan State Waterways	25,316	18,895	32,165	14,117	316	25,848	33	25,814
Blue Water Bridge	67,165	21,453	17,137	-0-	7,018	64,463	-0-	64,463
Michigan Transportation	102,186	2,105,207	1,047,121	1,427	1,068,267	93,432	880	92,552
Comprehensive Transportation	80,742	178,291	329,015	179,570	18,374	91,213	169	91,045
Game and Fish Protection Trust	1,193	59,757	53,089	-0-	16,090	(8,229)	-0-	(8,229)
State Park Improvement	26,511	64,846	57,759	-0-	1,797	31,801	25	31,775
Forest Development	21,101	41,205	37,279	-0-	3,433	21,594	10	21,584
Michigan Natural Resources Trust	79,743	169,675	213,917	-0-	19	35,483	241	35,242
Michigan State Parks Endowment	41,584	75,572	106,340	-0-	259	10,557	36	10,520
Safety Education and Training	6,362	11,120	9,742	-0-	134	7,606	15	7,592
Bottle Deposits	52,161	29,189	27,304	-0-	2,554	51,492	47	51,445
State Construction Code	2,566	14,405	8,571	-0-	112	8,288	5	8,283
Children's Trust	2,635	11,116	10,803	-0-	6	2,941	3	2,938
State Casino Gaming	13,342	37,019	27,787	4,273	11,915	14,931	2	14,929
Homeowner Construction Lien Recovery	222	19	-0-	-0-	-0-	242	-0-	242
Michigan Nongame Fish and Wildlife	1,659	3,137	2,077	-0-	5	2,714	-0-	2,714
21st Century Jobs Trust	287,808	75,000	170,692	93,400	-0-	285,516	-0-	285,516
Michigan Merit Award Trust	61,869	96,480	157,532	-0-	28	789	1	788
Outdoor Recreation Legacy	2,274	2,232	2,562	1,059	29	2,973	4	2,969
Off-Road Vehicle	8,830	7,597	6,059	-0-	43	10,325	3	10,322
Snowmobile	9,371	7,569	8,881	2,470	33	10,496	5	10,491
Unemployment Obligation Trust	1,009	478,560	478,557	-0-	-0-	1,012	-0-	1,012
State Building Authority Advance Financing	(6,831)	154,273	150,249	1	-0-	(2,806)	-0-	(2,806)
Michigan Strategic	159,261	151,465	200,225	-0-	-0-	110,501	183	110,318
Land Bank Fast Track Authority	3,676	13,195	8,527	-0-	-0-	8,344	158	8,185
Jobs for Michigan Investment	152,857	217,769	184,464	-0-	-0-	186,162	126	186,036
Workforce Development Agency	4,277	22,888	27,164	-0-	-0-	-0-	-0-	-0-
Michigan Finance Authority - School Loan Revolving	625,364	755,424	173,027	-0-	-0-	1,207,762	-0-	1,207,762
State Building Authority - Capital Project	25	43	4	-0-	-0-	63	-0-	63
Total Special Revenue	\$ 2,665,504	\$ 5,993,594	\$ 5,428,915	\$ 1,219,882	\$ 1,345,695	\$ 3,104,370	\$ 6,414	\$ 3,097,955

Table 4



Continued... (In Thousands of Dollars)

Fund	Cash Balances 10-1-15	Receipts ^(a)	Disbursements ^(b)	Transfers In	Transfers Out	Cash Balances 9-30-16	Warrants Outstanding	Available Balances 9-30-16
BOND AND DEBT SERVICE								
Clean Michigan Initiative Bond								
- Local Projects	\$ 82	\$ -0-	\$ 55	\$ -0-	\$ -0-	\$ 28	\$ -0-	\$ 28
1994 State Trunkline Bond Proceeds	(1)	1	-0-	-0-	-0-	0	-0-	0
State Trunkline Bond Proceeds	20,390	65,778	7,477	2	34,852	43,841	-0-	43,841
Build Michigan II								
- GARVEE Note Proceeds	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Comprehensive Transportation Bond Proceeds	9,994	44	2,128	-0-	-0-	7,911	-0-	7,911
Combined State Trunkline Bond and Interest Redemption	-0-	67,093	271,659	204,571	-0-	5	2	3
Combined Comprehensive Transportation Bond and Interest Redemption	25	-0-	22,579	22,716	-0-	162	-0-	162
Recreation and Environmental Protection Bond Redemption	2,019	692	150,598	149,630	-0-	1,743	-0-	1,743
School Loan Bond Redemption	-0-	264	126,356	126,105	-0-	14	-0-	14
State Building Authority - Debt Service	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Total Bond and Debt Service	\$ 32,510	\$ 133,872	\$ 580,851	\$ 503,025	\$ 34,852	\$ 53,703	\$ 2	\$ 53,701
ENTERPRISE								
Liquor Purchasing Revolving	\$ 77,362	\$ 1,077,902	\$ 865,029	\$ -0-	\$ 209,756	\$ 80,479	\$ 1,168	\$ 79,311
State Lottery	4,545	1,605,922	724,148	-0-	882,000	4,319	660	3,659
Michigan State Housing Development Authority	-0-	63,778	62,199	-0-	-0-	1,578	2	1,577
Michigan Finance Authority - State Water Revolving	45	172,982	172,961	-0-	-0-	66	-0-	66
Total Enterprise	\$ 81,953	\$ 2,920,584	\$ 1,824,338	\$ -0-	\$ 1,091,756	\$ 86,443	\$ 1,830	\$ 84,613
INTERNAL SERVICE								
Correctional Industries Revolving	(4,102)	17,178	15,022	-0-	119	(2,065)	6	(2,071)
Motor Transport	9,237	66,700	66,524	-0-	68	9,345	2	9,343
Office Services Revolving	9,895	160,597	155,061	-0-	204	15,227	4	15,223
Information Technology	14,407	827,652	834,659	-0-	7,179	222	572	(350)
Risk Management	13,349	27,071	27,418	-0-	31	12,971	-0-	12,971
State Sponsored Group Insurance	300,118	715,032	693,880	-0-	-0-	321,270	7	321,263
Total Internal Service	342,904	1,814,231	1,792,564	-0-	7,600	356,971	591	356,380

Table 4



Concluded... (In Thousands of Dollars)

Fund	Cash Balances 10-1-15	Receipts ^(a)	Disbursements ^(b)	Transfers In	Transfers Out	Cash Balances 9-30-16	Warrants Outstanding	Available Balances 9-30-16
RETIREMENT								
Legislative	\$ 1,185	\$ 54,883	\$ 54,865	\$ -0-	\$ -0-	\$ 1,202	\$ 3	\$ 1,200
State Police	4,666	563,741	557,580	-0-	2	10,824	309	10,515
State Employees'	5,396	5,855,963	5,787,484	-0-	34	73,842	53	73,788
Public School Employees'	163,640	19,404,263	19,412,059	-0-	194	155,650	373	155,278
Judges'	3,471	98,928	100,365	-0-	-0-	2,034	-0-	2,034
Military	-0-	6,847	3,129	-0-	-0-	3,718	-0-	3,718
Total Retirement	\$ 178,357	\$ 25,984,625	\$ 25,915,481	\$ -0-	\$ 230	\$ 247,271	\$ 738	\$ 246,532
TRUST AND AGENCY								
Michigan Employment Security Act Contingent	\$ 110,508	\$ 60,976	\$ 11	\$ -0-	\$ 11,555	\$ 159,917	\$ -0-	\$ 159,917
Military Family Relief	2,461	77	193	-0-	-0-	2,345	3	2,342
IntraState Switched Toll Restructuring	(142)	18,187	15,029	-0-	8	3,007	219	2,788
Children's Institute Trust	103	-0-	-0-	-0-	-0-	103	-0-	103
Abandoned and Unclaimed Property (Escheats)	132,447	164,697	183,431	-0-	-0-	113,713	6,030	107,683
Gifts, Bequests and Deposits Investment	19,113	103,384	96,276	-0-	-0-	26,220	277	25,944
Silicosis, Dust Disease, and Logging Industry Compensation	1,803	1,100	1,622	-0-	5	1,277	30	1,247
Second Injury	13,563	8,315	10,752	-0-	22	11,105	180	10,925
Hospital Patients	118	645	636	-0-	-0-	128	8	119
Self-Insurers' Security	32,171	9,744	8,513	-0-	13	33,389	391	32,998
State Employees' Deferred Comp. I (457)	388	42,397	42,765	-0-	-0-	19	-0-	19
State Employees' Deferred Comp. II (401K)	425	47,351	47,484	-0-	-0-	292	-0-	292
State of Michigan MPSERS DC 457	4,801	92,381	94,755	-0-	-0-	2,427	-0-	2,427
State Employees' Defined Contribution Plan	201	284,672	284,616	-0-	-0-	257	-0-	257
Special Assessment Deferment	2,495	176	4	-0-	-0-	2,667	-0-	2,667
Environmental Quality Deposits	2,737	18	67	-0-	-0-	2,689	-0-	2,689
Insurance Carrier Deposits	395	50,556	47,756	-0-	-0-	3,194	-0-	3,194
Utility Consumer Representation	1,498	1,666	1,290	-0-	5	1,869	-0-	1,869
Transportation Related	(8,714)	311,042	328,112	-0-	-0-	(25,784)	73	(25,857)
State of Michigan MPSERS DC 401K	1,362	676	343	-0-	-0-	1,695	-0-	1,695
State of Michigan Personal Health Care	140	4,085	4,211	-0-	-0-	15	-0-	15
City Income Tax	-0-	8,790	-0-	-0-	-0-	8,790	985	7,805
Social Welfare	1,482	13,554	11,156	-0-	-0-	3,880	54	3,826
Total Trust and Agency	\$ 319,355	\$ 1,224,489	\$ 1,179,020	\$ -0-	\$ 11,609	\$ 353,215	\$ 8,250	\$ 344,965
GRAND TOTALS	\$ 4,992,474	\$ 95,128,784	\$ 94,501,135	\$ 4,406,955	\$ 4,406,955	\$ 5,620,123	\$ 131,449	\$ 5,488,675

(a) Receipts include \$16,904.3 million of securities sold and matured.

(b) Disbursements include \$18,446.8 million of securities purchased.

(c) In accordance with Governmental Accounting Standards Board (GASB) Statement No. 54 Fund Balance Reporting and Governmental Fund Type Definition, the Budget Stabilization Fund is a committed subfund of the General Fund.

Table 5



Demand Depositories as of September 30, 2016 (In Thousands of Dollars)

City	Depository Bank	Deposits ^(a)	City	Depository Bank	Deposits ^(a)
Adrian	First Federal Bank	\$ 161	Iron Mountain	First National Bank of Iron Mountain	59
Baldwin	Lake Osceola State Bank	8	Lansing	Bank of America-Credit Card Bank of America-Main Account	0 4,462
Cheboygan	Citizens National Bank	82	Lapeer	Lapeer County Bank and Trust	100
Chelsea	Chelsea State Bank	98	Manistique	mBank	568
Coldwater	Century Bank and Trust Southern Michigan National Bank	138 134	Marquette	Wells Fargo Bank, Michigan	18,631
Croswell	Eastern Michigan Bank	187	Mason	Mason State Bank	5,108
Crystal Falls	First National Bank	32	Midland	Chemical Bank and Trust	3,536
Detroit	JPMorgan Chase-Income Tax JPMorgan Chase-Main Acct. Comerica Bank - Detroit Comerica Bank - ACH Service	0 1,323,378 7,023 0	Monroe	Monroe Bank and Trust	1,001
East Tawas	Huron Community Bank	52	Munising	Peoples State Bank of Munising	51
Escanaba	Upper Peninsula State Bank	59	Newberry	Tahquamenon Area Credit Union	15
Ewen	State Bank of Ewen	22	Norway	First National Bank	5
Flint	FirstMerit Bank	12,381	Ontonagon	Citizens State Bank	29
Gladstone	First Bank Upper Michigan	19	Port Austin	Port Austin State Bank	4
Grand Rapids	Fifth Third Bank	3,973	St. Charles	Community State Bank	49
Hancock	Superior National Bank and Trust	88	St. Ignace	First National Bank	32
Hillsdale	Hillsdale County National Bank	47	Sault Ste. Marie	Central Savings Bank Soo Co-Op Credit Union	37 2
Honor	The Honor State Bank	31	Shelby	Shelby State Bank	138
Ionia	Independent Bank First Bank, West Michigan	208 101	Stockbridge	SSBBank	3
			Wakefield	First National Bank	101
			Zeeland	Huntington National Bank	1,861
			Total		\$ 1,384,014

(a) Deposits represent the account balance reported on bank statements and include deposits which are in the process of being collected through the banking system. Deposits are rounded to the nearest thousand and are secured by \$2,185,439,000 of collateral.

Bonds and Notes

The Michigan Constitution limits State general obligation debt to (1) short-term debt for State operating purposes, (2) short- and long-term debt for the purpose of making loans to school districts, and (3) long-term debt for voter-approved purposes.

Short-term debt for operating purposes is limited to an amount not in excess of 15 percent of undedicated revenues received during the preceding fiscal year (FY). Under the Michigan Constitution, as implemented by statutory provisions, such debt must be authorized by the State Administrative Board and issued only to meet obligations incurred pursuant to appropriation and must be repaid during the FY in which it was incurred. Such debt does not require voter approval.

The amount of debt incurred by the State for the purpose of making loans to school districts is recommended by the State Treasurer, who certifies the amounts necessary for loans to school districts semiannually. The bonds may be issued in whatever amount is required without voter approval. All other general obligation bonds issued by the State must be approved as to amount, purpose, and method of payment by a two-thirds vote of each house of the Legislature and by a majority vote of the public at a general election.

There is no limitation as to number or size of such general obligation issues.

General Obligation Debt

All current general obligation bond and note issues are presented in Table 6, *General Obligation Debt, Bond, and Note Payments*. During FY 2016, the State issued \$82.2 million in debt to fund the Great Lakes Water Quality program. The State also issued \$189 million to refund existing debt.

Special Authority Revenue Bond Debt

Certain governmental authorities issue revenue bonds for construction projects and to acquire or build facilities for the State or its institutions of higher learning. These bonds, as shown in Table 7, *Special Authority Revenue Bond Debt*, are obligations of the individual authorities and are not a general obligation of the State.

Special Revenue Debt

The State periodically issues long-term bonds for specific purposes, as presented in Table 10, *Special Revenue Debt, Bond, and Note Payments*. These issues are not supported by the State's general credit, and their financing comes strictly from the designated revenue sources.

Table 6



General Obligation Debt, Bond, and Note Payments (In Thousands of Dollars)

Item	Issue Date	Maturity Dates	New Issues	Refunded Principal	Principal Payments	Interest Payments	Outstanding Principal as of 9-30-16		
School Bond Loan ^(a)	Series 2001 (Refunding)	2001	2002-2016	\$ -0-	\$ -0-	\$ 14,130	\$ 389	\$ -0-	
	Series 2002 (Refunding)	2002	2003-2015	-0-	-0-	7,525	207	-0-	
	Series 2008A (Refunding)	2008	2012-2023	-0-	116,035	-0-	5,904	-0-*	
	Series 2009A	2009	2015-2020	-0-	-0-	6,895	6,637	96,830	
	Series 2009A (Refunding)	2009	2015-2020	-0-	-0-	6,670	6,421	93,685	
	Series 2009B (Refunding)	2009	2010-2030	-0-	-0-	4,877	2,473	20,902	
	Series 2010B (Refunding)	2010	2016-2020	-0-	-0-	-0-	1,623	43,460	
	Series 2010B	2010	2016-2020	-0-	-0-	-0-	1,507	40,365	
	Series 2011A	2011	2014-2023	-0-	-0-	24,600	4,812	95,200	
	Series 2011B	2011	2022	-0-	-0-	-0-	1,114	30,110	
	Series 2012A (Refunding)	2012	2013-2026	-0-	-0-	5,072	1,332	41,760	
	Series 2012A	2012	2013-2026	-0-	-0-	13,663	3,587	112,485	
	Series 2013A	2013	2024-2033	-0-	-0-	-0-	6,668	200,000	
	Series 2016A (Refunding)	2016	2017-2023	129,085	-0-	-0-	-0-	129,085	
	Environmental Protection ^(b)	Series 2001 (Refunding)	2001	2002-2016	-0-	-0-	13,450	370	-0-
		Series 2002 (Refunding)	2002	2004-2015	-0-	-0-	7,475	206	-0-
Series 2005B (Refunding)		2005	2013-2016	-0-	-0-	24,600	615	-0-	
Series 2006A		2006	2014-2026	-0-	-0-	1,570	79	-0-*	
Series 2008A (Refunding)		2008	2011-2019	-0-	-0-	4,712	3,037	38,617	
Series 2010A (Refunding)		2010	2012-2020	-0-	-0-	823	295	5,900	
Series 2010B (Refunding)		2010	2013-2015	-0-	-0-	14,279	215	-0-	
Series 2012 (Refunding)		2012	2016-2020	-0-	-0-	-0-	1,227	27,359	
Recreation ^(c)	Series 2015A (Refunding)	2015	2017-2026	-0-	-0-	-0-	883	26,063	
	Series 2010B (Refunding)	2010	2013-2015	-0-	-0-	1,190	5	-0-	
Clean Michigan Initiative ^(d)	Series 2002 (Refunding)	2002	2004-2016	-0-	-0-	12,000	1,403	19,500	
	Series 2006A	2006	2014-2026	-0-	-0-	5,030	252	-0-*	
	Series 2008A	2008	2011-2019	-0-	-0-	1,735	374	5,745	
	Series 2008A (Refunding)	2008	2011-2019	-0-	-0-	9,568	3,494	78,403	
	Series 2008B	2008	2011-2019	-0-	-0-	863	184	2,843	
	Series 2009A	2009	2022-2026	-0-	46,355	-0-	2,620	-0-*	
	Series 2010A (Refunding)	2010	2012-2020	-0-	-0-	3,507	1,259	25,151	
	Series 2010B (Refunding)	2010	2013-2015	-0-	-0-	8,825	95	-0-	
	Series 2010B	2010	2013-2015	-0-	-0-	3,623	46	-0-	
	Series 2011A	2011	2021-2025	-0-	-0-	-0-	369	9,617	
	Series 2011B	2011	2013-2020	-0-	-0-	-0-	167	5,509	
	Series 2011B (Refunding)	2011	2013-2020	-0-	-0-	-0-	110	3,613	
	Series 2012 (Refunding)	2012	2016-2020	-0-	-0-	-0-	2,913	64,946	
	Series 2015A (Refunding)	2015	2017-2026	-0-	-0-	-0-	2,649	78,002	
	Series 2016B (Refunding)	2016	2022-2026	43,164	-0-	-0-	-0-	43,164	
	Great Lakes Water Quality Bonds ^{(e) (f)}	SWQIF 2003	2003	2053	-0-	-0-	-0-	-0-	6,000
Series 2008B (SWQIF)		2008	2011-2019	-0-	-0-	288	61	948	
Series 2009A (Refunding)		2009	2022-2026	-0-	17,780	-0-	1,005	-0-*	
Series 2010B (Refunding)		2010	2013-2015	-0-	-0-	496	1	-0-	
Series 2010B		2010	2013-2015	-0-	-0-	3,623	46	-0-	
Series 2011A		2011	2021-2025	-0-	-0-	-0-	925	24,123	
Series 2011A (Refunding)		2011	2021-2025	-0-	-0-	-0-	395	10,295	
Series 2011B (Refunding)		2011	2013-2020	-0-	-0-	-0-	618	20,394	
Series 2014A		2014	2024-2029	-0-	-0-	-0-	3,257	65,140	
Series 2014B		2014	2027	-0-	-0-	-0-	724	20,155	
Series 2015A (Refunding)		2015	2027-2029	-0-	-0-	-0-	891	25,050	
Series 2016A		2016		82,240	-0-	-0-	-0-	82,240	
Series 2016B (Refunding)	2016		16,786	-0-	-0-	-0-	16,786		
Total General Obligation Debt				271,275	180,170	201,089	73,463	1,609,443	

(a) P.A. 112 of 1961 as amended, provides that the State may borrow from time to time such amounts as shall be required for the purpose of making loans to school districts. Requirements are determined semiannually and general obligation debt is issued as needed.

(b) P.A. 328 of 1988, provided for the issuance of \$660 million General Obligation Bonds, of which \$8.5 million remains.

(c) P.A. 329 of 1988, provided for the issuance of \$140 million General Obligation bonds, all of which have been issued.

(d) P.A. 284 of 1998 and P.A. 451 of 1994 as amended, provided for the issuance of \$675 million General Obligation bonds, of which \$80.4 million remains.

(e) P.A. 396 of 2002 provided for the issuance of \$1.0 billion General Obligation Bonds, of which \$586.9 million remains.

(f) On December 18, 2003, the State issued \$100 million in general obligation Great Lakes Water Quality Bonds pursuant to voter authorization which were placed with a State Authority. To date, the State has recognized \$10.0 million of this as a liability on the State of Michigan Comprehensive Annual Financial Report of which \$6.0 million remains outstanding.

* All or part of the principal amount not presented and not represented in the totals due to the advanced refunding of all or part of this obligation. The table below summarizes the advanced refunding activity by type of bond.

Series	Advanced Refunded From Series	Amount Refunded	FY 16 Paid From Escrow Principal	FY 16 Escrow Interest	FY 16 Escrow Balance
General Obligation Debt:					
Environmental Protection	2012, 2015	\$ 36,588	\$ 36,588	\$ 915	\$ 0
Clean Michigan Initiative	2012, 2015, 2016	221,672	175,317	6,184	54,214
Great Lakes Water Quality	2015, 2016	47,780	30,000	60	20,794
School Bond Loan	2016	116,035	0	0	130,796
		\$ 422,075	\$ 241,905	\$ 7,159	\$ 205,804

Table 7



Special Authority Revenue Bond Debt ^(a) (In Thousands of Dollars)

Item	New Issues	Principal Payments	Interest Payments	Outstanding Principal as of 9-30-16
Mackinac Island State Park Commission	\$ -0-	\$ 55	\$ 75	\$ 1,630
Michigan State Housing Development Authority ^(b)	401,830	132,360	73,418	2,362,250
Michigan Finance Authority ^(c)	4,346,702	4,023,365	628,192	18,852,904 *
Michigan State Building Authority ^(d)	665,150	108,778	117,282	3,031,728 *
Total Special Authority Debt	\$ 5,413,682	\$ 4,264,558	\$ 818,967	\$ 24,248,512

* All or part of the principal amount not presented, and not represented in the totals due to the advance refunding of all or part of this obligation.

(a) Information in the table is provided by each Authority.

(b) The new issues include \$401.8 million of new bond issues for the year. Amounts are as of September 30, 2016.

(c) Balance does not include obligations that have been advanced refunded. The escrow principal liability as of September 30, 2016, was \$2,133 million. Executive Order 2010-2 consolidated 10 public finance authorities under the Michigan Finance Authority.

(d) Balance does not include obligations that have been advanced refunded. The escrow principal liability as of September 30, 2016, was \$1,069 million. Also outstanding principal does not include commercial paper notes issued by the Authority. As of September 30, 2016, \$71.2 million of commercial paper notes was outstanding. Balance does include capital appreciation bonds reported with a ultimate maturity value of \$6.4 million with a final maturity on October 15, 2016.

Michigan Finance Authority Debt by Program	New Issues	Principal Payments	Interest Payments	Outstanding Principal as of 9-30-16
Health	\$ 2,017,110	\$ 1,214,155	\$ 149,849	\$ 7,138,136
Higher Education	115,930	141,941	12,738	497,099
Municipal	1,892,222	1,837,220	285,700	7,316,878
Public School Academies	39,440	44,955	15,701	274,595
Tobacco	-0-	5,665	57,937	1,129,016
Private K-12	-0-	N/A	N/A	84,226
Student Loan	282,000	390,389	13,646	755,537
Unemployment	-0-	389,040	92,621	1,657,417
Total Michigan Finance Authority Debt	\$ 4,346,702	\$ 4,023,365	\$ 628,192	\$ 18,852,904

Table 8



General Obligation Bond Payment Schedule (In Thousands of Dollars)

For Period Ended	Principal	Interest	Total ^(a)
September 30,			
2017	187,281	68,042	255,323
2018	168,048	59,092	227,140
2019	172,403	50,818	223,221
2020	141,649	42,416	184,065
2021	148,125	36,101	184,226
2022	148,044	31,491	179,535
2023	141,683	24,879	166,562
2024	98,950	20,040	118,989
2025	84,420	15,399	99,819
2026	82,877	12,188	95,064
2027	45,911	9,519	55,430
2028	45,936	7,766	53,702
2029	47,882	5,647	53,529
2030	22,809	12,153	34,962
2031	21,640	2,496	24,136
2032	22,455	1,717	24,172
2033	23,330	887	24,217
2034	-0-	-0-	-0-
2035	-0-	-0-	-0-
Thereafter ^(b)	6,000	-0-	6,000
Total	\$1,609,443	\$400,651	\$2,010,092

(a) May not add to total due to rounding.

(b) On December 18, 2003, the State issued \$100 million in general obligation Great Lakes Water Quality Bonds pursuant to voter authorization which were placed with a State Authority. To date, the State has recognized \$10.0 million of this as a liability on the State of Michigan Comprehensive Annual Financial Report of which \$6.0 million remains outstanding.

Table 9



Bonds and Notes Payable by Fiscal Year (In Thousands of Dollars)

Item	Outstanding on September 30,				
	2012	2013	2014	2015	2016
GENERAL OBLIGATION DEBT					
School Bond Loan	\$ 1,003,578	\$ 1,130,893	\$ 1,053,887	\$ 974,264	\$ 903,882 *
Environmental Protection	361,634	302,269	236,669	164,848	97,939 *
Recreation	6,891	3,306	2,282	1,190	0
Clean Michigan Initiative	503,319	468,132	431,132	384,832	336,491 *
Great Lakes Water Quality Bonds	127,826	127,573	203,291	188,290	271,131
Total General Obligation Debt	\$ 2,003,248	\$ 2,032,173	\$ 1,927,262	\$ 1,713,424	\$ 1,609,443
NON-GENERAL OBLIGATION DEBT					
Michigan Department of Transportation Tax					
Dedicated Bonds	\$ 1,484,405	\$ 1,371,660	\$ 1,235,440	\$ 1,104,810	\$ 961,470* ^(c)
MDOT Grant Anticipation Bonds	741,455	733,410	724,960	716,305	616,625
Michigan Department of Natural Resources					
State Park Revenue Bonds	10,200	9,465	8,700	7,900	7,060
Special Authorities-Revenue Bonds and Notes ^(a)					
Mackinac Island State Park Commission	1,835	1,785	1,735	1,685	1,630
Michigan State Housing Development Authority	2,338,620	2,114,642	2,020,105	2,092,780	2,362,250
Michigan State Building Authority	3,103,332	3,181,564	3,105,869	3,107,035	3,031,728 *
Michigan Finance Authority ^(b)	17,106,980	16,079,319	17,537,276	18,556,416	18,852,904 *
Total Non-General Obligation Debt	\$ 24,786,827	\$ 23,491,845	\$ 24,634,085	\$ 25,586,931	\$ 25,833,667

* All or part of the principal amount not presented, and not represented in the totals due to the advance refunding of all or part of this obligation.

(a) Does not include the activity of the Michigan Strategic Fund.

(b) Executive Order 2010-2 consolidated 10 public finance authorities under the Michigan Finance Authority: Michigan Municipal Bond Authority, Michigan State Hospital Finance Authority, Michigan Higher Education Facilities Authority, Michigan Higher Education Assistance Authority, Michigan Higher Education Student Loan Authority, Michigan Public Educational Facilities Authority, Michigan Tobacco Settlement Finance Authority, Michigan Underground Storage Tank Financial Assurance Authority, Michigan State Higher Education Facilities Commission, Michigan Forest Finance Authority.

(c) Table 9 MDOT Tax Dedicated Bonds Outstanding on September 30, 2009 through 2012 include accumulated accretion.

Table 10



Special Revenue Debt, Bond, and Note Payments (In Thousands of Dollars)

Item	Issue Date	Maturity Dates	Amount Issued	Refunded Principal	Principal Payments	Interest Payments	Outstanding Principal as of 9-30-16	
Michigan Department of Transportation								
Tax Dedicated Bonds Michigan								
Comprehensive Transportation								
RF. Series 2005	2005	2023	\$62,180	\$ -0-	\$ 4,785	\$ 2,583	\$ 44,415	
New & RF. Series 2006	2006	2031	53,685	-0-	1,155	46	-0-	
RF. Series 2009	2009	2019	42,335	-0-	6,975	1,495	23,150	
RF. Series 2011	2011	2021	18,470	-0-	1,770	633	12,540	
RF. Series 2013	2013	2022	10,130	-0-	1,840	291	5,515	
RF. Series 2015	2015	2031	29,380	-0-	-0-	1,142	29,380	
State Trunkline Fund								
RF. SR. 1998-A	1998	2026	377,890	-0-	26,525	5,888	94,395	
RF. SR. 2004	2004	2021	103,450	-0-	9,015	3,537	64,820 *	
RF. SR. 2005	2005	2022	223,020	-0-	16,705	7,257	126,005 *	
Series 2006	2006	2021	244,525	-0-	16,720	1,307	17,595	
New & RF. SR 2009	2009	2026	146,190	-0-	-0-	7,299	146,190	
Series 2011	2011	2036	90,980	-0-	2,290	4,130	84,315	
RF. SR 2012	2012	2021	49,305	-0-	5,450	1,821	33,695	
RF. SR 2014	2014	2021	265,085	-0-	39,685	11,517	225,400	
RF. SR 2015	2015	2022	54,055	64,480	-0-	1,438	54,055	
MDOT Grant Anticipation Bonds								
Series 2007	2007	2027	485,115	-0-	9,075	11,805	9,515 *	
Series 2009	2009	2027	281,910	-0-	-0-	21,495	-0- *	
Series 2016	2016	2027	607,110	697,715	-0-	-0-	607,110	
Michigan Department of Natural Resources State Park Revenue Bonds								
Series 2002	2002	2022	15,500	-0-	840	320	7,060	
Total Special Revenue Debt					\$ 762,195	\$ 142,830	\$ 84,004	\$ 1,585,155

* All or part of the principal amount not presented and not represented in the totals due to the advance refunding of all or part of this obligation. The table below summarizes the advance refunding activity by type of bond.

Series	Advanced Refunded from Series	Amount Refunded	FY16 Paid from Escrow Principal	FY 16 Escrow Interest	FY 16 Escrow Balance
Special Revenue Debt:					
Comprehensive Transportation	2015	\$ 32,755	\$ 32,755	\$ 1,626	\$ -0-
Trunkline Transportation	2014, 2015	166,500	64,480	6,973	104,571
Grant Anticipation	2016	697,715	-0-	10,915	744,690
		\$ 896,970	\$ 97,235	\$ 19,514	\$ 849,261

State Tax Collections

State taxes and fees totaling \$23,682,213 (in thousands) were collected during fiscal year 2016, which is an increase of 0.62% from the previous fiscal year.

Major tax collections for fiscal year 2016 and the previous

Table 11

four years are detailed in Table 11, *Treasury Administered Taxes and Fees Collected on a Cash Basis*, below.

Table 12, *Michigan State Taxes and Fees*, identifies all Michigan taxes and gives administrative information about each.



Treasury Administered Taxes and Fees Collected on a Cash Basis

Type of Revenue	10-1-11	10-1-12	10-1-13	10-1-14	10-1-15
	to 9-30-12	to 9-30-13	to 9-30-14	to 9-30-15	to 9-30-16
Income Tax:					
Withholding Tax	\$ 7,632,437	\$ 7,849,363	\$ 8,073,344	\$ 8,470,585	\$ 8,999,148
Individual Income Tax	693,034	1,133,565	805,955	936,455	923,447
Individual Income Tax Estimates	748,278	865,393	878,563	1,034,436	1,063,465
Individual Income Tax Penalty and Interest	31,376	30,312	33,893	38,354	40,785
Gross Individual Income Tax Collections	9,105,125	9,878,633	9,791,755	10,479,830	11,026,845
Tax Refunds and Tax Credits	(2,171,274)	(1,667,275)	(1,753,456)	(1,744,525)	(1,856,661)
Net Individual Income Tax	\$6,933,851	\$8,211,358	\$8,038,299	\$8,735,305	\$9,170,184
Single Business Tax ^(a)	38,329	20,517	23,337	19,015	20,158
Single Business Tax Penalty and Interest	12,638	19,154	513	3,441	4,218
Gross Single Business Tax	50,967	39,671	23,850	22,456	24,376
Tax Refunds	(38,860)	(32,600)	(68,188)	(16,290)	(26,111)
Net Single Business Tax	\$ 12,107	\$ 7,071	\$ (44,338)	\$ 6,166	\$ (1,735)
Michigan Business Tax ^(a)	1,644,573	394,042	98,232	125,229	65,137
Michigan Business Tax Penalty and Interest	69,193	54,925	15,858	18,132	13,378
Gross Michigan Business Tax	1,713,766	448,967	114,090	143,361	78,515
Tax Refunds	(457,919)	(576,284)	(724,097)	(985,036)	(1,114,596)
Net Michigan Business Tax	\$ 1,255,847	\$ (127,317)	\$ (610,007)	\$ (841,675)	\$ (1,036,081)
Corporate Income Tax ^(a)	399,795	830,007	1,061,552	1,151,609	1,022,275
Corporate Income Tax Penalty and Interest	27	2,635	9,464	12,800	14,498
Gross Corporate Income Tax	399,822	832,642	1,071,016	1,164,409	1,036,773
Tax Refunds	-0-	(\$24,837)	(129,390)	(119,992)	(122,451)
Net Corporate Income Tax	\$ 399,822	\$ 807,805	\$ 941,626	\$ 1,044,417	\$ 914,322
Airport Parking Tax	20,585	21,165	22,275	\$24,810	\$27,322
Airport Parking Tax Penalty and Interest	-0-	-0-	-0-	5	-0-
Cigarette - Tobacco Products Tax	904,517	892,329	857,700	865,928	880,350
Cigarette - Tobacco Products Tax Penalty and Interest	376	675	133	172	157
Commercial Mobile Radio Service Tax	28,039	28,515	27,964	28,827	28,539
Convention Facility Tax	18,578	19,848	21,759	23,606	24,877
Convention Facility Tax Penalty and Interest	55	34	44	25	27
Environmental Protection Regulatory Fee	51,006	50,582	54,393	53,420	53,271
Essential Services Assessment ^(e)	---	---	---	---	66,459
Estate Tax ^(b)	237	(23)	31	-0-	-0-
Flow Through Withholding	35,982	207,735	131,687	143,147	157,313
Flow Through Withholding Penalty & Interest	-0-	455	1,181	1,750	2,601
Gas and Oil Privilege Fee	10,843	9,134	10,891	6,595	3,612
Gas and Oil Severance Tax	53,785	59,618	64,531	32,922	20,232
Health Insurance Claims Assessment Tax	112,360	268,447	277,030	228,573	227,356
Industrial/Commercial Facilities Tax	37,160	35,020	33,474	35,133	34,752
Inheritance Tax ^(b)	8	19	304	(136)	20
Insurance-Retaliatory Tax	293,555	291,523	339,534	361,229	304,073
Intangibles Tax ^(c)	-0-	1	-0-	-0-	-0-
Motor Fuel Taxes	955,283	957,610	966,904	995,092	1,020,487
Non-Cigarette - Tobacco Products Tax	65,771	64,777	73,051	77,481	77,413
Real Estate Transfer Tax	143,851	191,881	219,647	264,752	275,553
Sales Tax	6,922,040	7,197,816	7,232,030	7,296,218	7,297,552
Sales, Use and Withholding Penalty and Interest	42,178	42,898	36,625	43,616	36,809
State Education Tax	1,780,635	1,745,870	1,797,186	1,841,399	1,883,828
State Housing Development Service Fee	9,855	12,667	17,919	12,523	12,947
Use Tax	1,355,875	1,292,590	1,584,555	2,060,829	2,015,433
Utility Property Tax	61,507	53,664	50,207	47,331	38,928
Other Taxes and Fees ^(d)	166,862	152,229	149,610	147,209	145,612
TOTAL	\$ 21,672,570	\$ 22,495,996	\$ 22,296,245	\$ 23,536,669	\$ 23,682,213

(a) Public Act 325 of 2006 repealed the Single Business Tax, effective December 31, 2007. It was replaced by the Michigan Business Tax, enacted in Public Act 36 of 2007, effective January 1, 2008. Repealed and replaced by Corporate Income Tax in 2012 per P.A. 39 of 2011.

(b) Public Act 54 of 1993 replaced the Inheritance Tax for dates of death after September 30, 1993 with the Estate Tax.

(c) Public Act 5 of 1995 repealed Public Act 301 of 1939 regarding collection of Intangible Taxes.

(d) Includes Assessor's Training & Certification Fees, Garnishments Fees, Court Fines, Fees & Assessments, Driver Responsibility Fees, Trailer Coach Parks Specific Tax, Commercial Forest Tax and Low Grade Iron Ore Specific Tax.

(e) New in 2016, per Public Act 92 of 2014.

Table 12



Michigan State Taxes and Fees (In Thousands of Dollars)

Tax Source	Year Adopted	Department Administered by	Payment Deadline	Net Cash Receipts 10-1-15 to 9-30-16	Disposition
Aircraft Registration	1923	Transportation	August 1	363	State Aeronautics Fund
Airport Parking	1987	Treasury	15th of each month	27,322	State Aeronautics Fund; Specific Local Units
Aviation Fuel	1929	Treasury	20th of each month	5,362	State Aeronautics Fund
Beer & Wine Excise	1933	Licensing and Regulatory Affairs	Monthly reports and/or stamps	51,842	General Fund
Casino Wagering	1999	Education	Daily	112,852	School Aid Fund, General Fund
Cigarette - Tobacco Products	1947	Treasury	20th of each month	880,350	41.6% to School Aid Fund, 19.8% to General Fund, 3.8% to Healthy Michigan Fund, 34.8% to Local Units.
Commercial Mobile Radio Services	1999	Treasury	Last day of February, April, July & October	28,539	Commercial Radio Suppliers and Counties, Public Safety Answering Points
Convention Facility Development	1985	Treasury	15th of each month	24,877	Debt Service for Cobo Hall; Counties
Corporate Income Tax	2012	Treasury	15th of April, July, October and January	899,825	General Fund
Corporate Organization	1891	Licensing and Regulatory Affairs	At time of incorporation, admission or increase in stock	23,566	General Fund
Diesel Fuel	1947	Treasury	20th of each month	118,981	Michigan Transportation Fund
Environmental Protection Regulatory	1989	Treasury	10th and 25th of each month	53,271	First 20 million to Leaking Underground Storage Tank Cleanup Fund. Remaining to General Fund. PA 416, 2014.
Essential Services Assessment	2014	Treasury	August 15	66,459	General Fund
Estate	1994	Treasury	Nine months following date of death	0	General Fund
Flow Through Withholding	2012	Treasury	15th of April, July, October and January	157,313	General Fund with 23.808% to School Aid Fund
Gas and Oil Privilege Fee	1973	Treasury	25th of each month	3,612	General Fund
Gas and Oil Severance	1929	Treasury	25th of each month	20,232	General Fund
Gasoline	1925	Treasury	20th of each month	875,871	Michigan Transportation Fund
Health Insurance Claims Assessment Tax	2012	Treasury	30th of April, July, October and January	227,356	Health Insurance Claims Assessment Fund
Horse Race Wagering	1933	Agriculture	At end of each day's racing	3,806	Agriculture Equine Industry Development Fund
Individual Income	1967	Treasury	April 15	9,129,398	General Fund with 23.808% to School Aid Fund
Industrial/Commercial Facilities	1974	Treasury	December 1	34,752	Local Units and School Aid Fund
Inheritance	1899	Treasury	Within 105 days after death, except contingent transfers-due at vesting	20	General Fund
Insurance Company Retaliatory	1987	Treasury	Last day of April, July, October & January	304,073	General Fund
Intangibles	1939	Treasury	April 30 or last day of 4th month after end of taxpayer's tax year	0	General Fund
Liquified Petroleum Gas	1953	Treasury	20th of each month	413	Michigan Transportation Fund
Liquor - 4% - Tourism and Convention Facility	1985	Licensing and Regulatory Affairs	At the time of sale to retail licensees	52,236	Debt Service for Cobo Hall; Counties
Liquor Excise - 4%	1957	Licensing and Regulatory Affairs	At the time of sale to retail licensees	52,000	School Aid Fund
Liquor Specific - 1.85%*	1972	Licensing and Regulatory Affairs	At the time of sale to retail licensees	0	Liquor Purchase Revolving Fund
Liquor Specific - 4%	1959	Licensing and Regulatory Affairs	At the time of sale to retail licensees	52,654	General Fund
Marine Fuel	1947	Treasury	20th of each month	241	Michigan State Waterways Fund
Michigan Business	2007	Treasury	15th of April, July, October and January	(1,049,459)	General Fund
Motor Carrier Diesel Fuel	1980	Treasury	Last day of month following close of qtr.	19,547	Michigan Transportation Fund
Motor Carrier Fee	1933	Michigan State Police	January 1	10,844	Truck Driver Safety Fund and Motor Carrier Fees
Motor Vehicle Weight or Value	1905	State	Owner's birthday	1,021,851	Michigan Transportation Fund
Non-Cigarette - Tobacco Products	1994	Treasury	20th of each month	77,413	75% to Local Units, 25% to General Fund.
Nonferrous Metallic Minerals Extraction Severance Tax	2012	Agriculture	February 15	1,979	65% to Local Units, 35% to Rural Development Fund
Real Estate Transfer	1994	Treasury	County Treasurer remits to State on the 15th in the month after receipt	275,553	School Aid Fund
Sales	1933	Treasury	15th and last day of each month for accelerated filers. 20th day of the month for non-accelerated filers	7,297,552	72.8% to School Aid Fund, 8.9% to General Fund, 2.2% to Comprehensive Transportation Fund, 15.9% to Local Units, 0.1% to Healthy Initiative Fund, 0.1% to Enhanced Enforcement
Single Business	1975	Treasury	April 30 or last day of 4th month after end of taxpayer's tax year	(5,953)	General Fund
Snowmobile Registration	1968	State	October 1 (every 3rd year)	1,890	Michigan Conservation and Recreation Legacy Fund
State Education	1994	Treasury	County Treasurer remits to State the month after receipt from Local Units	1,883,828	School Aid Fund
Use	1937	Treasury	15th of each month	2,015,433	65.06% to General Fund, 34.94% to School Aid Fund
Utility Property	1905	Treasury	July 1 or 1/2 on Aug. 1, 1/2 on Dec. 1	38,928	General Fund
Watercraft Registration	1967	State	January 1 (every 3rd year)	9,865	Michigan Conservation and Recreation Legacy Fund

*Abolished by the Legislature effective FY2013

Local Property Taxes

Each of Michigan's 83 counties "equalizes" the local property assessments. Equalization ensures that similar properties in different areas are assessed equitably. Following county equalization, the State Tax Commission equalizes among counties.

Local property taxes in Michigan are levied on taxable values (resulting from State equalization) by local units of government: school districts, cities, counties, townships and villages.

Table 13 shows state, county and local equalized valuations for calendar year 2015 and the prior decade. This table also lists the total Taxable Valuation and the average tax rate (millage) for each year. Table 14 shows how property tax dollars are apportioned among the various taxing units.

Michigan taxpayers' local property tax burden is lessened substantially by an income tax credit for property taxes paid.

Table 13



Local Property Tax Valuation, Levies, and Average Rates (In Millions of Dollars)

Calendar Year	Local Assessed Valuation	County Equalized Valuation	State Equalized Valuation	Taxable Valuation	Total Taxes Levied	Average Rate (Mills)	Homestead Average Rate ^(a)	Non-Homestead Average Rate
2015	382,421	382,415	382,415	327,674	13,475	41.12	34.21	52.33
2014	360,594	360,593	360,593	319,540	13,034	40.79	33.92	51.77
2013	350,023	350,025	350,025	316,726	12,818	40.47	33.53	51.47
2012	349,320	349,306	349,306	315,772	12,757	40.40	33.47	51.24
2011	362,765	362,775	362,775	323,616	12,946	40.00	33.68	50.97
2010	385,115	385,050	385,050	336,845	13,374	39.70	33.13	50.40
2009	423,892	423,901	423,901	360,567	14,110	39.13	32.86	51.09
2008	448,112	448,140	448,140	363,225	14,144	38.94	33.14	50.94
2007	453,058	453,109	453,109	357,298	14,254	39.89	32.72	51.49
2006	436,294	436,422	436,421	340,334	13,598	39.96	32.66	51.38
2005	415,776	415,796	415,796	321,653	12,827	39.88	32.60	51.38

(a) Homesteads include properties which received exemption from school operating millage. Property exemptions included: principal residence, qualified agricultural, qualified forest, supportive housing, property occupied by a public school academy, DNR, and industrial personal property.

Table 14



Distribution of Local Property Taxes (In Thousands of Dollars)

Taxing Unit	Taxes Levied		Percent of Increase
	2014	2015	
City	\$ 2,286,675	\$ 2,380,166	4.09%
County	2,182,713	2,278,524	4.39%
Township	917,044	972,587	6.06%
Village	89,058	86,451	-2.93%
School	5,724,104	5,875,671	2.65%
State Education Tax	1,833,970	1,882,000	2.62%
Totals	\$13,033,564 ^(a)	\$13,475,399 ^(b)	

(a) \$557.9 million of the total property taxes levied in 2014 was refunded to taxpayers through the "circuit breaker" system of property tax credits against State income tax due or as a reimbursement if they exceed the income tax.

(b) \$557.2 million of the total property taxes levied in 2015 was refunded to taxpayers through the "circuit breaker" system of property tax credits against State income tax due or as a reimbursement if they exceed the income tax.

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