

# Road Commission of Kalamazoo County

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## Financial Statement and Act 51 Performance Audit Presentation

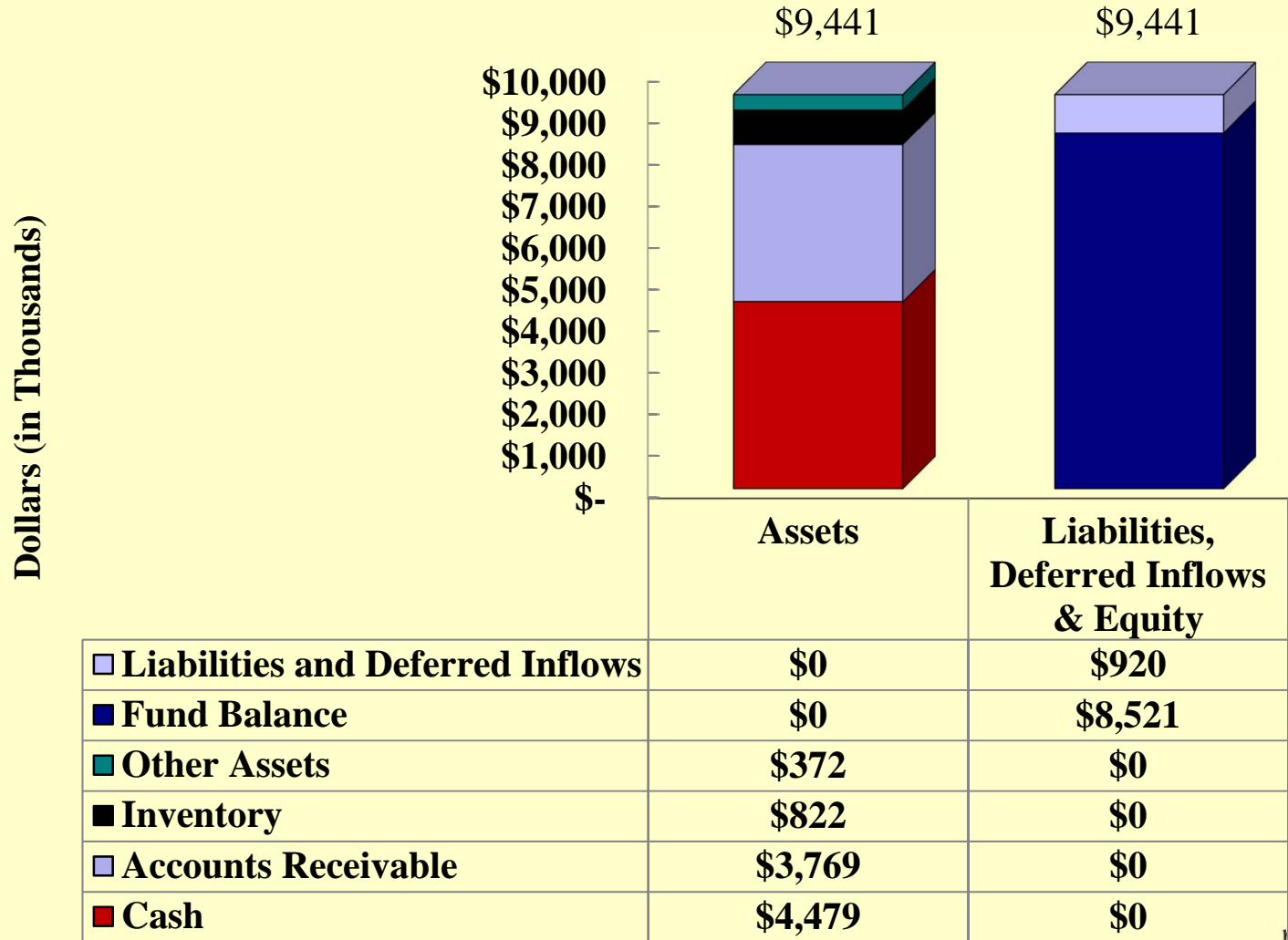
December 31, 2016

Presented By:  
Jean Young  
Kris Ray

# Road Commission of Kalamazoo County

## Road Fund Balance Sheet (in thousands)

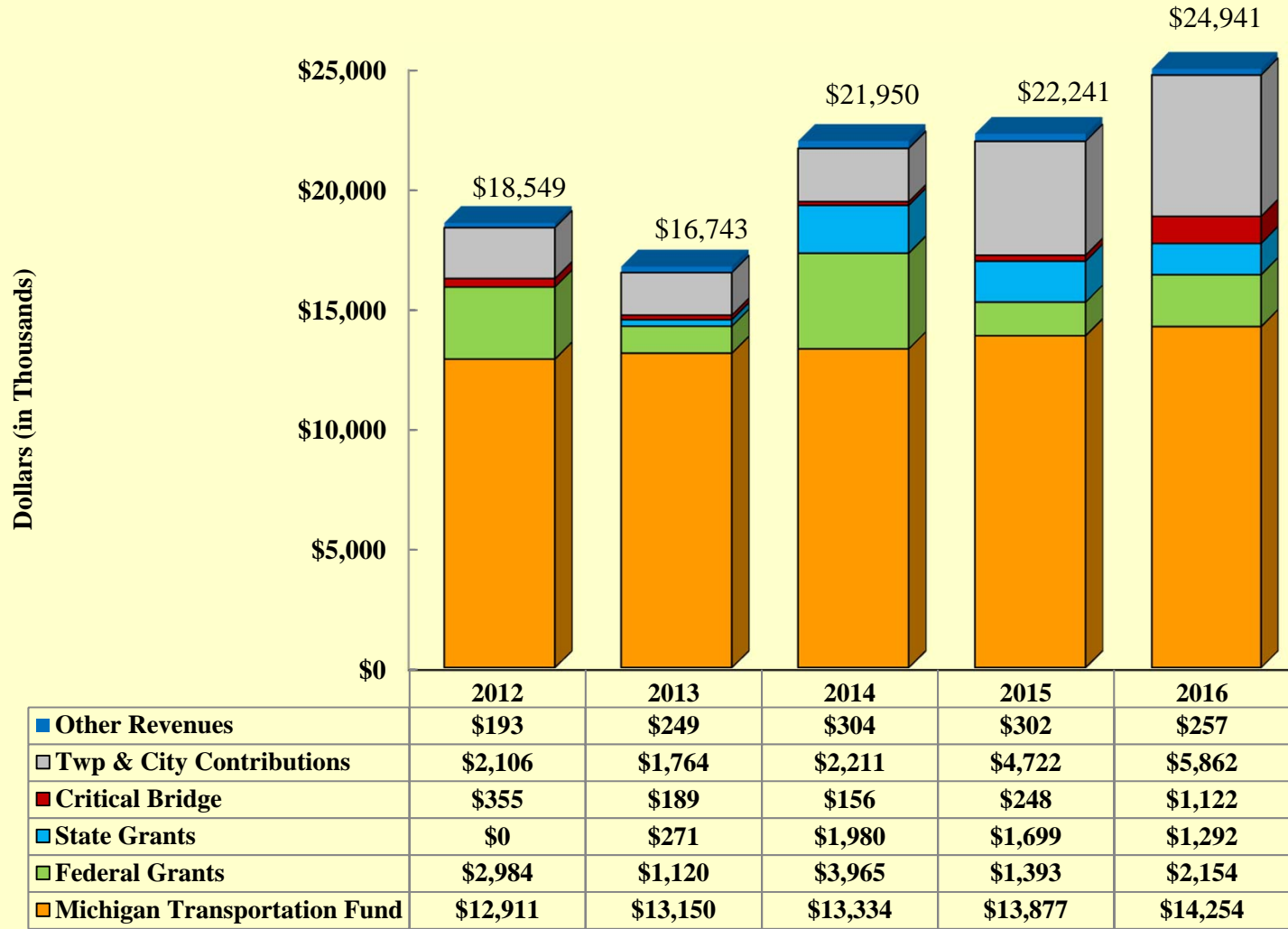
### December 31, 2016



# Road Commission of Kalamazoo County

## Road Fund Revenue

### Years Ended December 31, 2012 through 2016\*

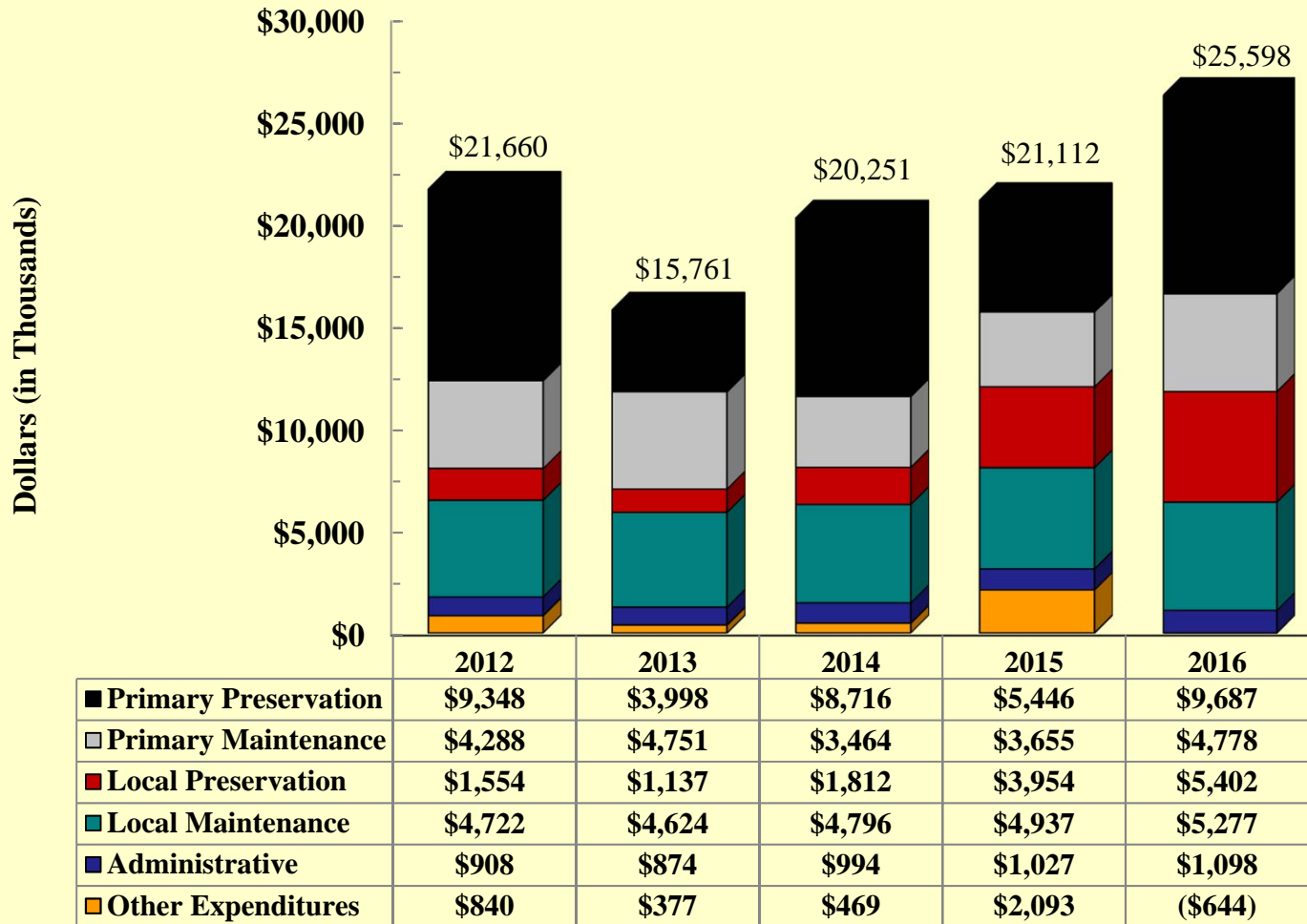


\* All years exclude construction in-kind revenue

# Road Commission of Kalamazoo County

## Road Fund Expenditures

### Years Ended December 31, 2012 through 2016\*



\* All years exclude construction in-kind expenditures

# Road Commission of Kalamazoo County

## Road Fund - Budget to Actual Year Ended December 31, 2016

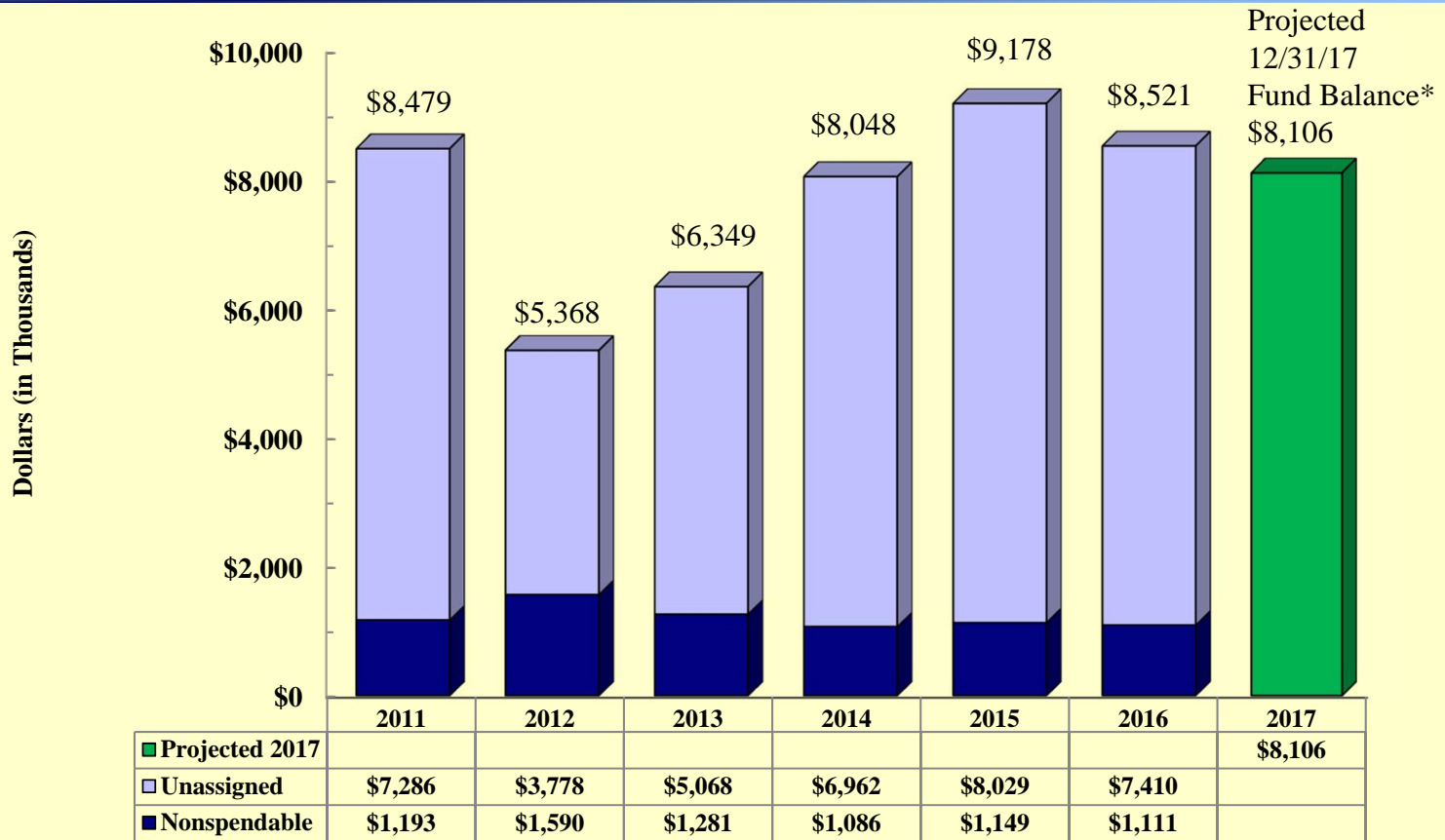
	Original Budget	Amended Budget	Actual	Variance
Total Revenues	\$25,729,099	\$24,659,000	\$25,276,283	617,283
Total Expenditures	27,224,000	26,594,000	25,932,703	661,297
Revenue Over Expenditures	(1,494,901)	(1,935,000)	(656,420)	1,278,580
<b>Fund Balance</b>	<b>\$7,682,710</b>	<b>\$7,242,611</b>	<b>\$8,521,191</b>	<b>\$1,278,580</b>

Note that the actual revenue and expenditure totals per the budget to actual, above, do not agree to the revenue and expenditure totals per the Road Fund on the previous slides. This is due to \$334,506 worth of projects performed on behalf of trailways/non-motorized projects. This amount is included in the revenue and expenditure totals in the budget to actual, above, but not included in the Road Fund revenue and expenditure totals on the previous slides or vice versa.

# Road Commission of Kalamazoo County

## Road Fund – Fund Balance

### For the Years Ended December 31, 2011 through 2017 \*\*



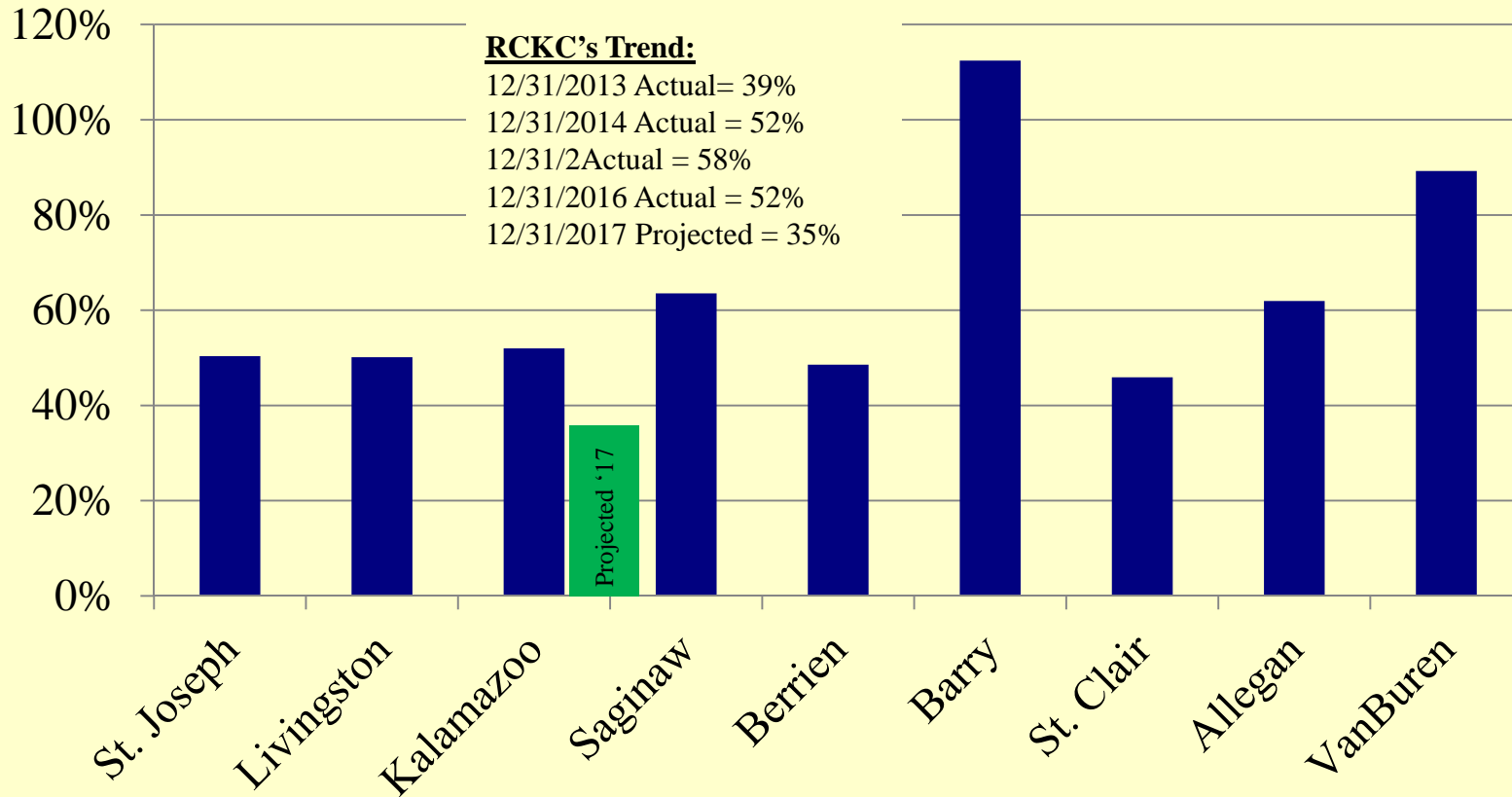
\*12/31/2017 fund balance projected based on RCKC's 2017 budget.

\*\*Prior year fund balance classifications have been restated to reflect GASB 54 definitions of fund balance classifications.

# Road Commission of Kalamazoo County

## Unrestricted Fund Balance as a Percentage of MTF Revenue

### Comparison to Other Road Commissions \*



\*Road Commissions selected for comparison based on annual MTF funding similar to RCKC and proximity to Kalamazoo County. Fund balance includes assigned, unassigned and committed fund balance categories. MTF revenue based on actual 2016 MTF distributions as published by MDOT. Fund balance based on the most recently publicly available financial statements, as follows:

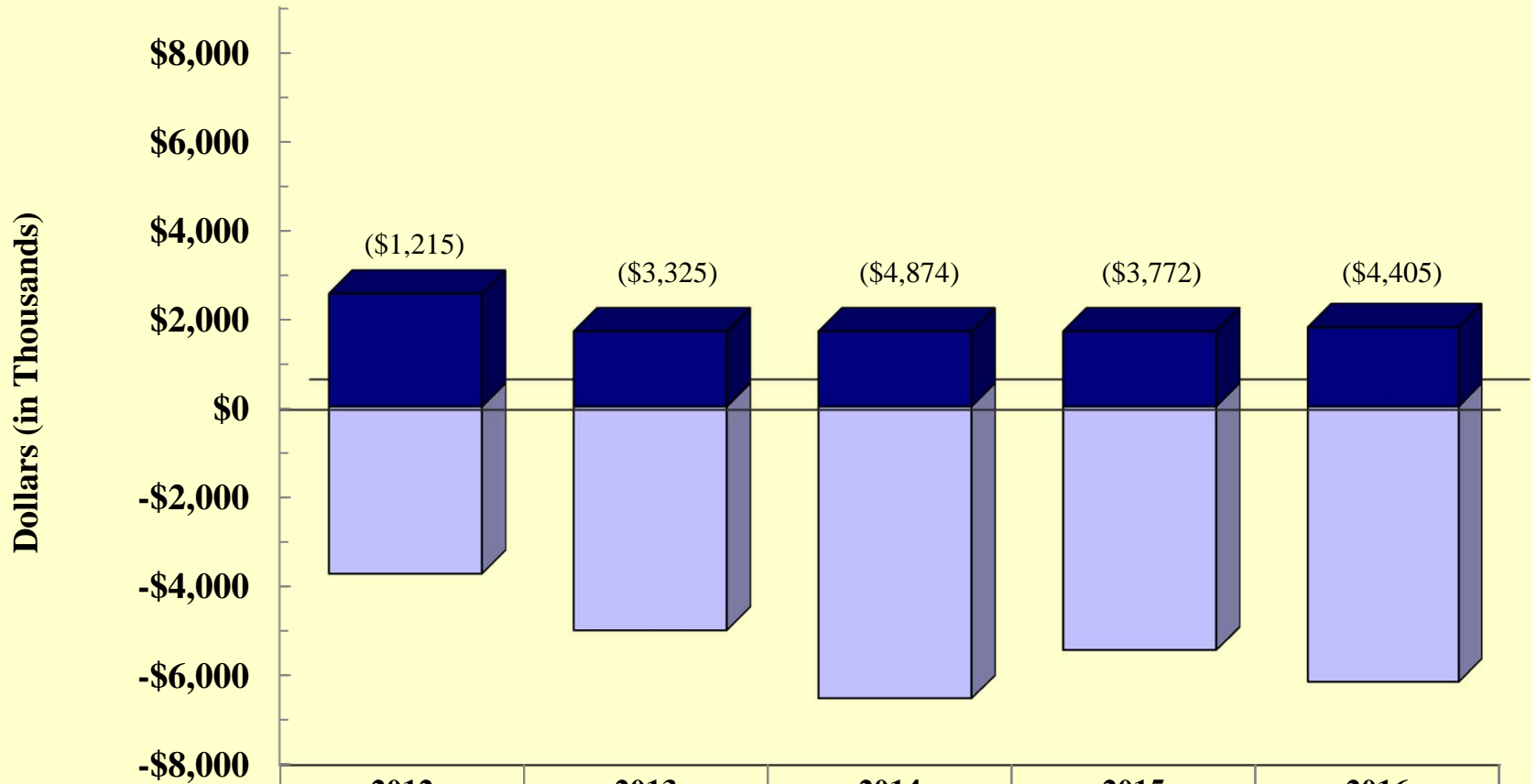
All others – 2016 Financial Statements

Saginaw – 2015 Financial Statements

# Road Commission of Kalamazoo County

## Overfunded Pension and Unfunded OPEB Actuarial Liability

### For the Years Ended December 31, 2012 through 2016



	2012	2013	2014	2015	2016
Overfunded Pension **	(\$3,736)	(\$5,002)	(\$6,551)	(\$5,449)	(\$6,175)
OPEB Obligation*	\$2,521	\$1,677	\$1,677	\$1,677	\$1,770

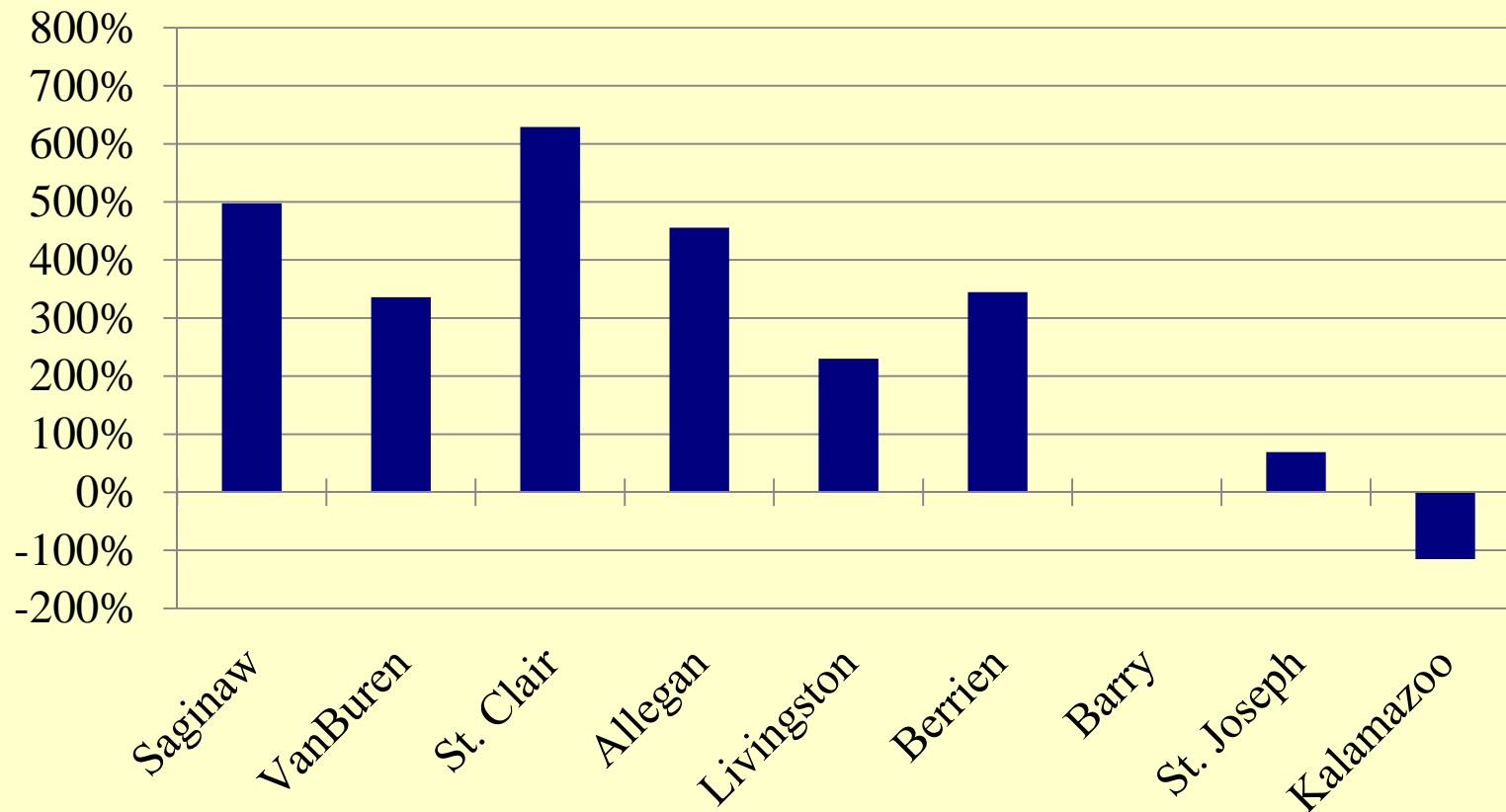
\* 12/31/2015 is the most recent OPEB valuation report available

\*\* Based on separately issued actuarial funding valuation and does not represent amounts allocated by the County.



# Road Commission of Kalamazoo County

## Total Net Pension and Net OPEB Obligation as a Percentage of Covered Payroll Comparison to Other Road Commissions \*



\*Road Commissions selected for comparison based on annual MTF funding similar to RCKC and proximity to Kalamazoo County. Information based on the most recently publicly available financial statements, as follows:  
All others – 2016 Financial Statements      Saginaw – 2015 Financial Statements

# Road Commission of Kalamazoo County

## Performance Audit

under Michigan Public Act 51 of 1951, as amended

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- Purpose: To verify that the Road Commission has administered their Act 51 funds in compliance with the requirements of PA 51 of 1951, as amended.
  - New requirement for the Road Commission's year ending December 31, 2016.
  - Act 51 Performance Audit is completed in accordance with *Government Auditing Standards*, issued by the Comptroller General of the United States (GAS).

# Road Commission of Kalamazoo County

## Performance Audit

under Michigan Public Act 51 of 1951, as amended

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- Testing: Examined records and activities for the period from January 1, 2016 through December 31, 2016.
  - Reviewed internal controls and the relevant Act 51 reports
  - Testing performed on the following areas:
    - Timely filing of the Act 51 report
    - Allowable transfers between primary and local systems
    - Proper allocation of labor costs
    - Proper bidding of projects
    - Allowability of expenditures
    - Administration expense limitation
    - Bridge and roadside parks expense limitation
    - Debt service expense limitation
    - Maintenance expense requirement
    - Corridor planning requirement
    - Nonmotorized transportation facilities expense requirement

# Road Commission of Kalamazoo County


## Performance Audit

under Michigan Public Act 51 of 1951, as amended


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- Audit Results:

- The Road Commission of Kalamazoo County is in compliance with Michigan Public Act 51 of 1951, as amended.



*Thank you for the opportunity to serve the  
Road Commission of Kalamazoo County*



**Jean Young**  
517-336-7458  
Jean.Young@plantemoran.com

**Kris Ray**  
248-223-3652  
Kris.Ray@plantemoran.com