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Presented by:
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Road Commission of Kalamazoo County

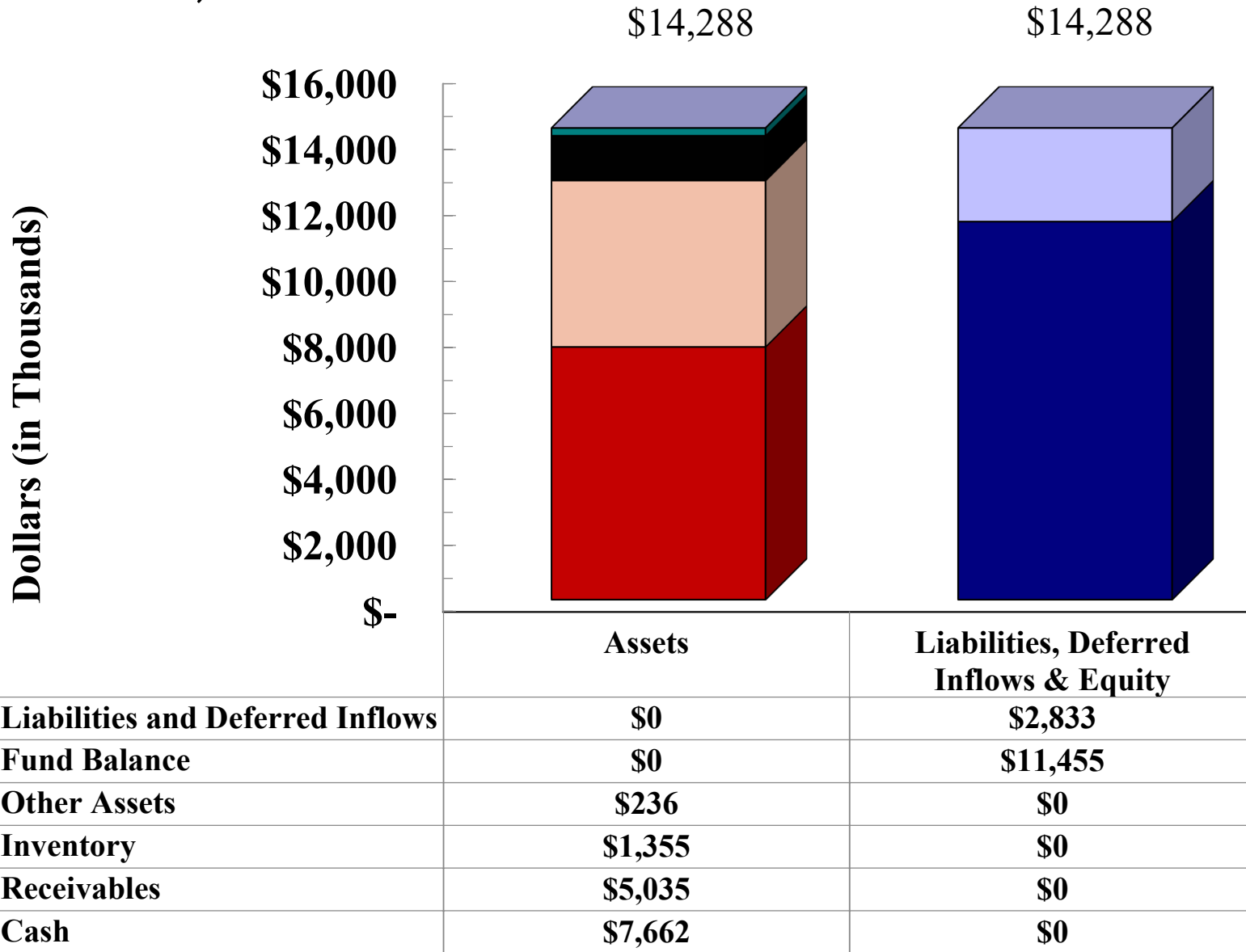
Financial Statement Audit and Act 51 Performance Audit Presentation - December 31, 2020



Road Commission of Kalamazoo County

Road Fund Balance Sheet (in thousands)

December 31, 2020

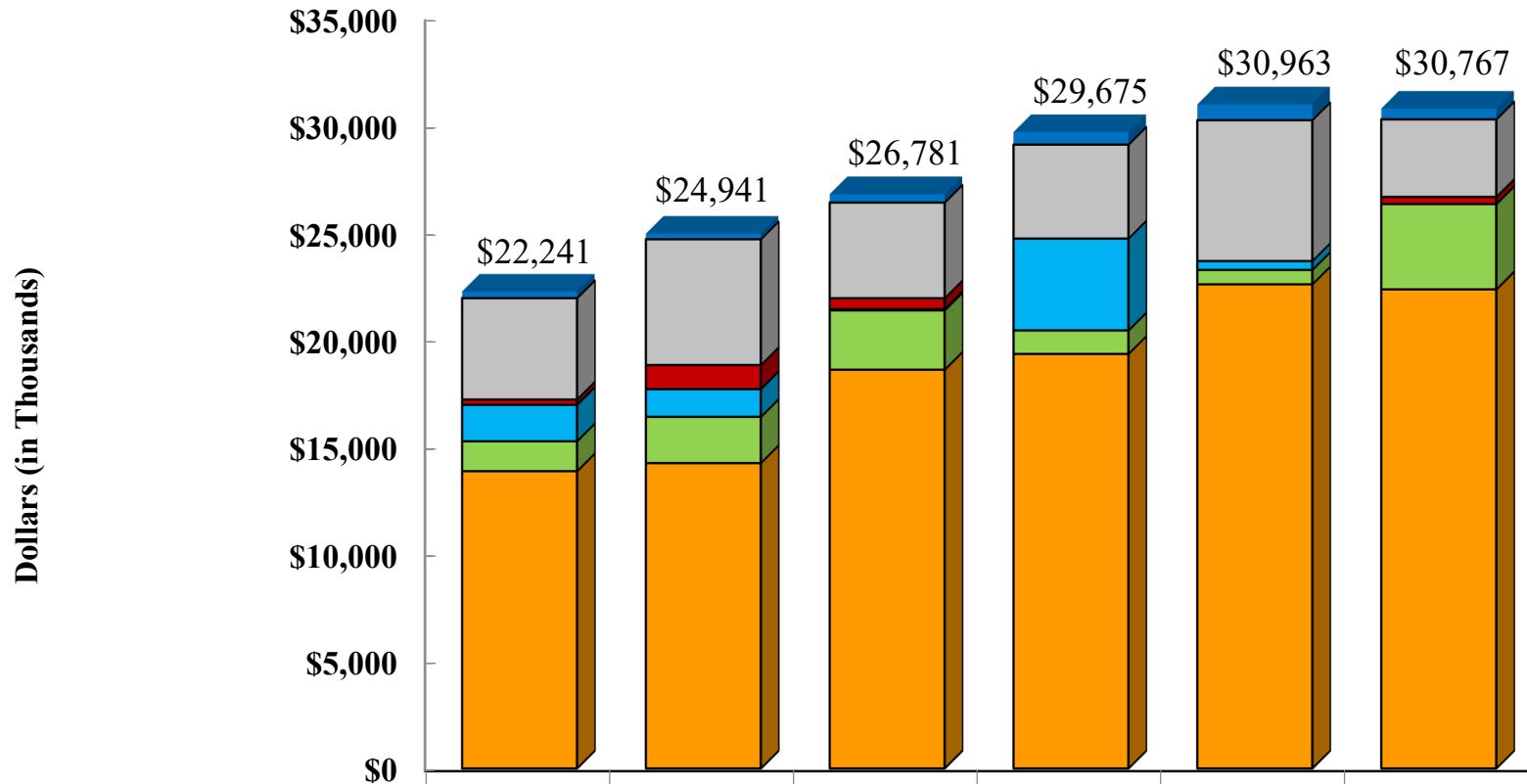




Road Commission of Kalamazoo County

Road Fund Revenue

Years Ended December 31, 2015 through 2020*



	2015	2016	2017	2018	2019	2020
■ Other Revenues	\$302	\$257	\$388	\$585	\$735	\$500
□ Twp & City Contributions	\$4,722	\$5,862	\$4,456	\$4,375	\$6,561	\$3,612
■ Critical Bridge	\$248	\$1,122	\$510	\$3	\$0	\$333
■ State Grants	\$1,699	\$1,292	\$58	\$4,277	\$414	\$0
■ Federal Grants	\$1,393	\$2,154	\$2,765	\$1,098	\$671	\$3,975
■ Michigan Transportation Fund**	\$13,877	\$14,254	\$18,604	\$19,337	\$22,582	\$22,347

* All years exclude construction in-kind revenue.

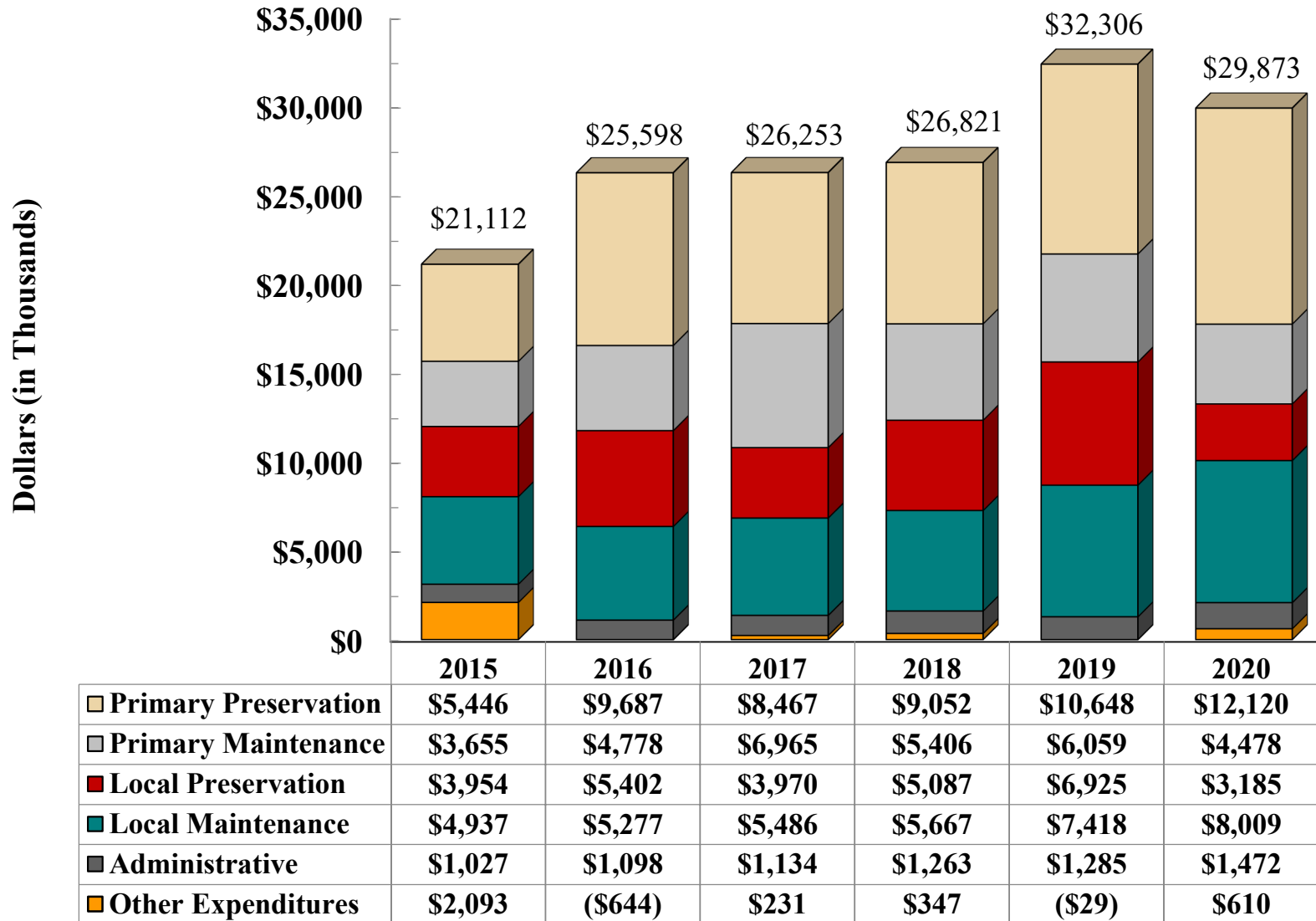
** 2018 MTF is net of overpayment reductions.



Road Commission of Kalamazoo County

Road Fund Expenditures

Years Ended December 31, 2015 through 2020*



* All years exclude construction in-kind expenditures



Road Commission of Kalamazoo County

Road Fund - Budget to Actual

Year Ended December 31, 2020

	Original Budget	Amended Budget	Actual	Variance
Total Revenues	\$35,863,700	\$34,750,700	\$33,485,659	\$(1,265,041)
Total Expenditures	35,607,000	35,846,000	32,591,337	3,254,663
Revenue Over Expenditures	256,700	(1,095,300)	894,322	1,989,622
Fund Balance	\$10,817,341	9,465,341	11,454,963	1,989,622

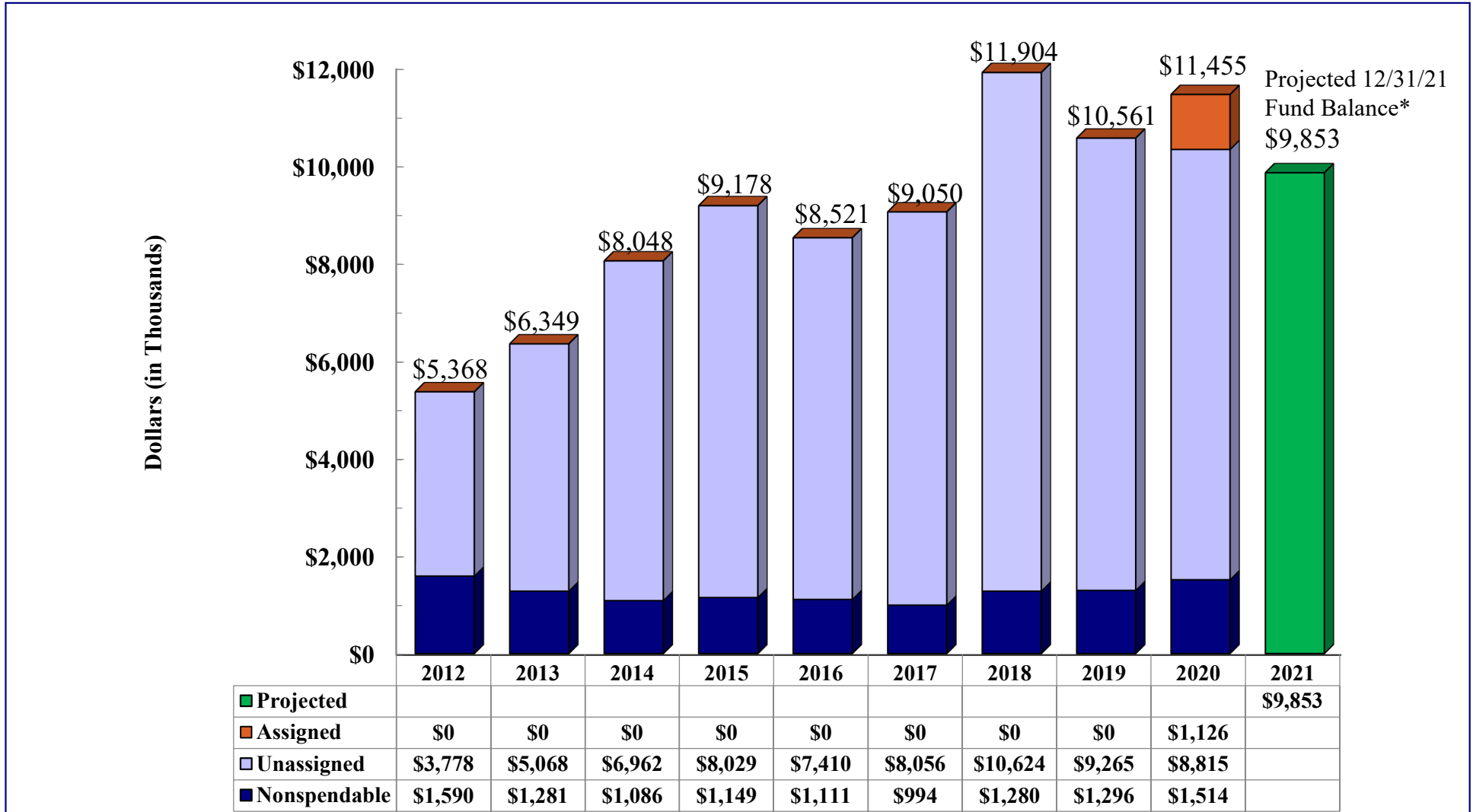
Note that the actual revenue and expenditure totals per the budget to actual, above, do not agree to the revenue and expenditure totals per the Road Fund on the previous slides. This is due to \$13,525 worth of revenue accounts budgeted for against expenditures, as well as \$2,731,823 worth of expenditure amounts not budgeted for that were completed on behalf of another governmental unit. These amounts are 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, 2012 through 2020 **



*12/31/2021 fund balance projected based on the RCKC's 2021 original budget.

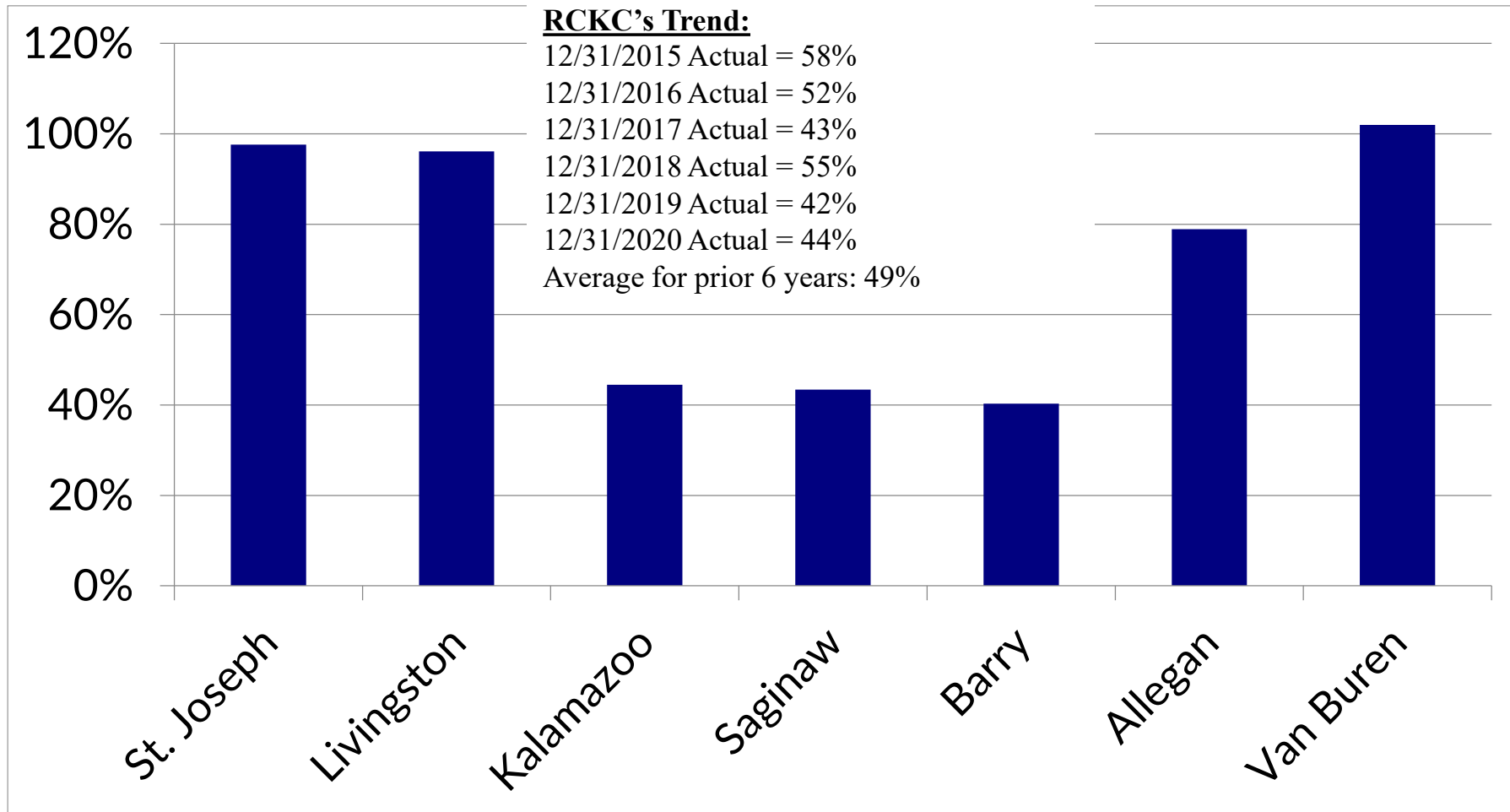
**Prior year fund balance classifications have been restated to reflect GASB 54 definitions of fund balance classifications.



Road Commission of Kalamazoo County

Unrestricted Fund Balance as a Percentage of MTF Revenue

Comparison to Other Road Commissions *



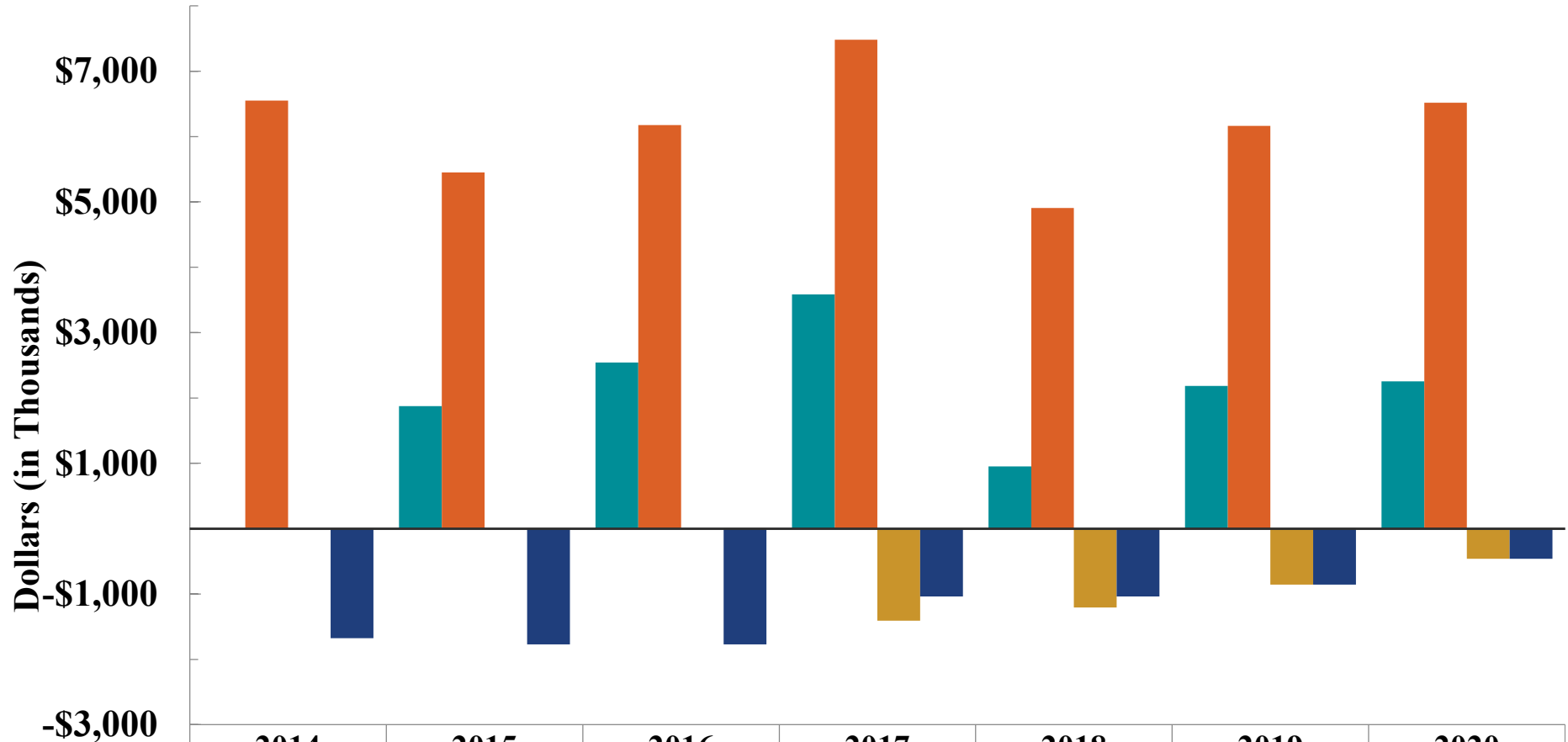
*Road Commissions selected by management for comparison based on annual MTF funding similar to RCKC and proximity to Kalamazoo County. Fund balance includes assigned, unassigned and committed fund balance categories. MTF revenue based on actual 2020 MTF distributions as published by MDOT. Fund balance based on the most recently publicly available financial statements, as follows: All – 2019 Financial Statements, except RCKC is 2020.



Road Commission of Kalamazoo County

Overfunded Pension and Unfunded OPEB

For the Years Ended December 31, 2014 through 2020



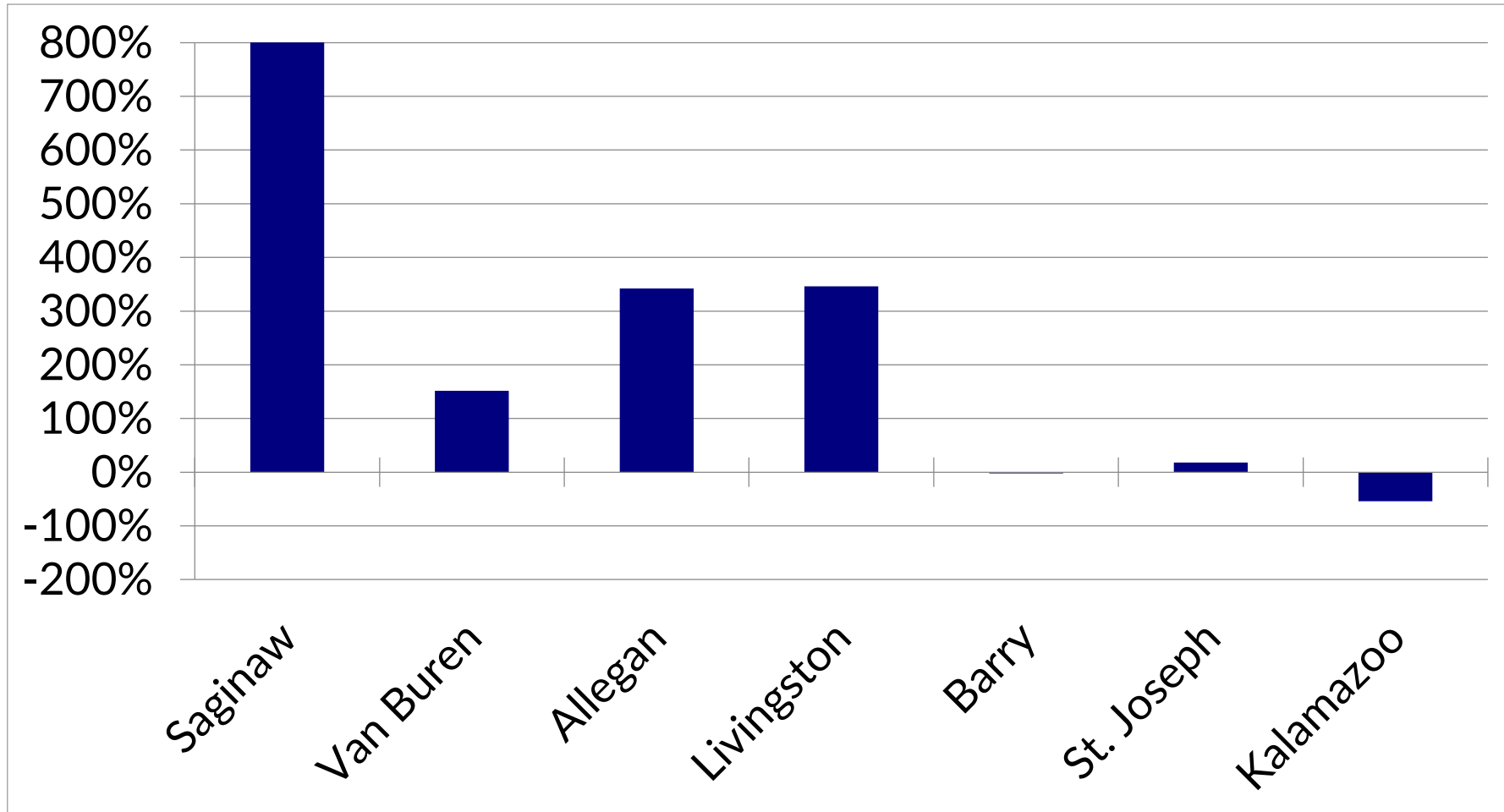
	2014	2015	2016	2017	2018	2019	2020
■ Pension, Reporting		\$1,876	\$2,543	\$3,584	\$952	\$2,185	\$2,253
■ Pension, Funding	\$6,551	\$5,449	\$6,175	\$7,480	\$4,906	\$6,163	\$6,517
■ OPEB, Reporting				(\$1,407)	(\$1,208)	(\$856)	(\$461)
■ OPEB, Funding	(\$1,677)	(\$1,770)	(\$1,770)	(\$1,036)	(\$1,036)	(\$856)	(\$461)

OPEB Funding valuations occur every other year. Pension and OPEB Reporting figures are included only in recent years because of changes in GAAP.



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 by management 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 - 2019 Financial Statements, except RCKC is 2020.



Road Commission of Kalamazoo County

Performance Audit

under Michigan Public Act 51 of 1951, as amended

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.

No longer required for the Road Commission's year ending December 31, 2017 and forward.

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

Testing: Examined records and activities for the period from January 1, 2020 through December 31, 2020.

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
- Non-motorized transportation facilities expense requirement



Road Commission of Kalamazoo County

Performance Audit

under Michigan Public Act 51 of 1951, as amended

Audit Results:

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



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

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