

GENERAL APPROPRIATIONS BUDGET

Fiscal Budget 2014/2015
Adopted September 2015

REVENUES and EXPENDITURES

TRANSPORTATION FUND

546-1	MTF-Engineering				
546-2	MTF-Primary Rd.				
546-3	MTF-Local Rd.				
546-4	MTF-Primary Urban				
546-5	MTF-Local Urban				
Total Transportation Funds					

STATE GRANTS:

339	Deffered Revenue-Coleman Road				
547	State Critical Brg.	35,533			
548	State General Fund Grant				
556	State RRR/PRIP	2,329,502			
551	TED D Funds Rural	467,615			
570	State Aid - FEMA (disaster)				
Total State Grants					

FEDERAL GRANTS:

510-3	Fed. Aid Hazard Elim. Safety	24,000			
510-5	Fed. Aid-Critical Brg.	189,507			
510-7	Federal STP(ISTEA D Enhancement)	698,751			
510-9	Federal Cat D	200,828			
511-5	Federal B.I.A. Critical Bridge	1,080,000			
Total Federal Grants					

LOCAL UNITS:

583-4	Township Contributions	671,992	2,593,205		
583-5	Village Contributions		0		
583-6	Other Govt. Contrib.	50,000	6,894		
Total Local Units					

OTHER REVENUES:

476	Permits			31,108	
643	Salvage Sales			7,350	
644/645	Misc. Revenues			1,000	
665	Interest Earned			14,000	
667/668	Oil/Gas Roy./Rents			6,601	
673	Sale of Fixed Assets(Land)			20,000	
675	Other Contributions-Tribal	0		0	
676	Other Contributions-Private			8,810	
687	Refunds & Rebates			3	
693.1	G/(L) on Disposal of Eq/Mat'l.			34,293	
696	Ins. Recoveries			1	
697	-Installment Lease Proceeds (Cat)			0	
697	Installment/Lease Proceeds (John Deere)			0	
Total Other Revenues					

GRAND TOTAL REVENUES

ENGR. WS	TWP WS	MAINT/ GEN OPER.	2015-B Budget
		10,000	\$ 10,000
		2,950,000	2,950,000
		1,700,000	1,700,000
		300,000	300,000
		50,000	50,000
0	0	5,010,000	\$ 5,010,000
		0	\$ -
35,533			35,533
		474,478	474,478
2,329,502			2,329,502
467,615			467,615
			0
2,832,650	0	474,478	\$ 3,307,128
			\$ 24,000
24,000			24,000
189,507			189,507
698,751			698,751
200,828			200,828
1,080,000			1,080,000
2,193,086	0	0	\$ 2,193,086
671,992	2,593,205		\$ 3,265,198
	0		0
50,000	6,894		56,894
721,992	2,600,099	0	\$ 3,322,091
		31,108	\$ 31,108
		7,350	7,350
		1,000	1,000
		14,000	14,000
		6,601	6,601
		20,000	20,000
0		0	0
		8,810	8,810
		3	3
		34,293	34,293
		1	1
		0	0
		0	0
0	0	123,166	\$ 123,166
5,747,728	2,600,099	5,607,643	\$ 13,955,470

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REVENUES and EXPENDITURES	ENGR WS	TWP WS	MAINT/ GEN OPER.	2015-B Budget
PRIMARY ROAD EXPENSES:				
451 Construction/Capacity Improvements	0			\$ -
459 Preservation Improvements	5,070,449	747,927		5,818,376
460 Structural Improvements	444,504			444,504
465 Primary Traffic Signals	10,153			10,153
468 Routine & Preventative Maintenance				
467 Routine & Preventative Maintenance	13,712	238,781	1,370,334	1,622,827
Total Primary Expense	5,538,818	986,707	1,370,334	\$ 7,895,859
LOCAL ROAD EXPENSES:				
489/493 Preservation Improvements	1,362,684	1,377,603		\$ 2,740,286
490 Structural Improvements	248,617			248,617
495 Traffic Signals	10,830			10,830
497 Routine & Preventative Maintenance		561,860	1,824,671	2,386,531
498 Road Structure Maintenance	0			0
Total Local Expense	1,622,131	1,939,463	1,824,671	\$ 5,386,265
EQUIPMENT EXPENSE:				
510 Equipment Expense Direct (Incl. Deprec.)			1,147,250	\$ 1,147,250
511 Equipment Expense Indirect			477,624	477,624
512 Equipment Expense Operating (Fuel)			320,000	320,000
Less: Equipment Rental			(1,400,000)	(1,400,000)
Net Equipment Expense	0	0	544,874	\$ 544,874
OTHER EXPENDITURES:				
515 Administration			531,400	\$ 531,400
Depreciation (Admin/Engr)			15,000	15,000
Purchase Discounts			(4,080)	(4,080)
Net Administrative Expense	0	0	542,320	\$ 542,320
900 CAPITAL OUTLAY				
Less: Equip. Retmnts(689)			492,868	\$ 492,868
Less: Depreciation			(2,773)	(2,773)
			(450,000)	(450,000)
Net Capital Outlay	0	0	40,095	\$ 40,095
519/521 Maint. Svcs-Other Units/Non-Road Projects			6,687	\$ 6,687
990 Brush Tractor Lease-Principal			39,139	39,139
990 New Caterpillar 140M2 Motor Grader			8,500	8,500
990 Brush Tractor Lease-Interest			2,417	2,417
990 INTEREST EXPENSE-Motor Grader			4,888	4,888
975 LONG-TERM Carter Building Lease Principal			27,949	27,949
975 LONG-TERM Carter Building Lease Interest			5,891	5,891
Total Other	0	0	95,472	\$ 95,472
GRAND TOTAL EXPENDITURES	7,160,949	2,926,170	4,417,766	\$ 14,504,885
INCREASE / (DECREASE) FROM REVENUE	(1,413,220)	(326,071)	1,189,877	\$ (549,415)
Beginning Fund Balance				\$ 4,520,350
ENDING FUND BALANCE				\$ 3,970,935
Less Inventory and Prepaids				(365,326)
NET ENDING FUND BALANCE				\$ 3,605,609

NOTE 9 - POST EMPLOYMENT BENEFITS OTHER THAN PENSIONS

In addition to the pension benefits, the County Road Commission provides post-employment health care insurance benefits to all retired employees by a group insurance plan. The benefits are provided in accordance with articles of the union agreement, which includes the provision that upon retirement, the commission contributes \$150 to \$350 per month for health coverage per retiree based on years of service scale for employees hired before January 1, 2010 only. The Commission's obligation ceases upon the employee attaining the minimum age for Medicare coverage.

For eligible retirees who were hired after February 1, 2005, the Isabella County Road Commission agrees to pay a fixed percent of the premium for BC/BS and prescription drug coverage benefits based on years of service, but only until attainment of Medicare eligibility, at which time, 100% of premium shall be paid for by the retiree and or spouse if they elect to remain in the group.

Plan Description. The Commission administers a single-employer healthcare plan ("the Retiree Health Plan"). The plan provides healthcare insurance for eligible retirees through the Commission's group health insurance plan, which covers both active and retired members. Benefit provisions are established through negotiations between the Commission and employees. The Retiree Health Plan does not issue a publicly available financial report.

Funding Policy. Contribution requirements also are negotiated between the Commission and employees. The Commission contributes 100% of the cost of current-year premiums for eligible retired plan members. For fiscal year 2014, the Commission contributed \$7,200 to the plan. Total member contributions were \$20,006.

NOTE 9 - POST EMPLOYMENT BENEFITS OTHER THAN PENSIONS (Continued)

Annual OPEB Cost and Net OPEB Obligation. The Commission’s annual other post employment benefit (OPEB) cost is calculated based on the annual required contribution (ARC). The Commission has elected to calculate the ARC and related information using the alternative measurement method permitted by GASB Statement No. 45 for employers with plans that have fewer than 100 total members. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and to amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed 30 years. The following table shows the components of the Commission’s annual OPEB cost for the year, the amount actually contributed to the Plan, and changes in the Commission’s net OPEB obligation to the Retiree Health Plan:

Annual required contribution	\$ 33,217
Interest on OPEB obligation	1,207
Annual OPEB cost (expense)	<u>34,424</u>
Contributions made	<u>(7,200)</u>
Increase in net OPEB obligation	27,224
Net OPEB obligation – beginning of year	<u>30,173</u>
Net OPEB obligation – end of year	<u>\$ 57,397</u>

The Commission’s annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for fiscal years 2012, 2013, and 2014 are as follows:

<u>Fiscal Year End</u>	<u>Annual OPEB Cost</u>	<u>Percentage of Annual OPEB Cost Contributed</u>	<u>Net OPEB Obligation</u>
2012	\$ 26,471	71%	\$ 17,578
2013	26,795	53%	30,173
2014	34,424	21%	57,397

Funded Status and Funding Progress: As of September 30, 2014, the actuarial accrued liability for benefits was \$418,241, a portion of which is funded. The covered payroll (annual payroll of active employees covered by the plan) was \$1,035,463, and the ratio of the unfunded actuarial accrued liability to the covered payroll was 40%. The actuarial value of plan assets and funded ratio was 8.5%.

The projection of future benefit payments for an ongoing plan involves estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following this note, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing or decreasing over time relative to the actuarial accrued liabilities for benefits.