



Antrim County Road Commission
2015 Annual Report
to the
Antrim County Board of Commissioners

July 14, 2016

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Introduction

The Antrim County Road Commission (ACRC) maintains 210 miles of primary county roads and 663 miles of local county roads. Also, the Michigan Department of Transportation (MDOT) contracts with the ACRC to perform routine maintenance on 98 miles of state trunkline (M 32, M 66, M 88, US 31 and US 131). In the county system, approximately 700 miles are maintained year round; 556 miles are paved, 144 miles are gravel, leaving 173 miles of seasonal roads (not open to public travel for the months of November through April).

The ACRC's primary responsibility is to provide safe roads for the motoring public. As will be shown in detail in this report, we also work to make improvements where the townships desire to provide better roads for their constituents. In more recent years, townships are shifting money to preventive maintenance to preserve the investments they have made in these improvements. In an ideal world, there would be enough money provided to the ACRC through user fees so that the townships would not have to contribute to this preventive maintenance.

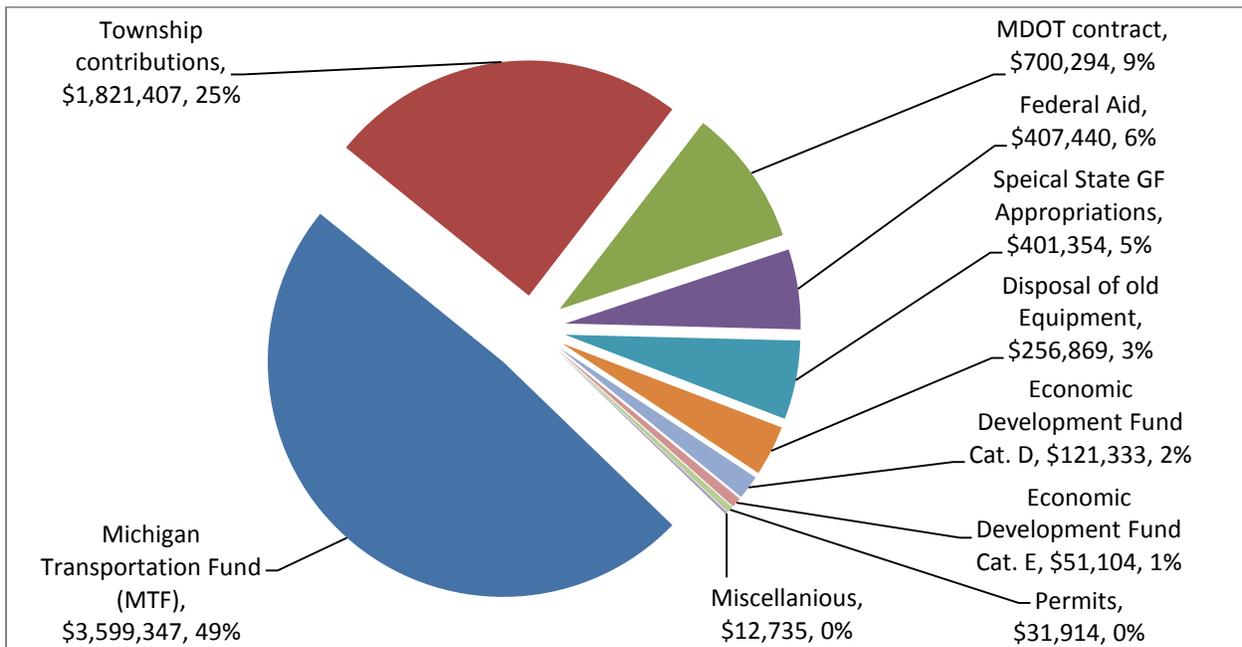
This report will expand on and discuss some of the major financial items that are reported through either audits or other mandated reporting. A short discussion on jobs completed during the year along with the current status and needs of our roads, equipment and facilities.

The revenue and expense information provided in the following pages can also be found in the Annual Financial Report that is filed with the MDOT as required by Act 51, Public Acts of 1951, as amended. This report is included as Appendix A. Also included in this report, as Appendix B, is the Basic Financial Statements for Year Ended December 31, 2015 (audit).

Revenues

Total revenue received was \$7,403,797. The main source of revenue is the Michigan Transportation Fund (MTF) which is the primary fund used for all routine maintenance and operating expenses. Township contributions are the second largest source and amounted to 25% of the total. This was up almost \$800,000 from 2014. The MDOT contract amounts to 9% of total revenue. Federal Aid was 6%, down a little from 2014 and can vary widely from year to year. Once again the state appropriated funds from the general fund which amounted to 5% of our revenues. The revenues received in 2015 by the ACRC are shown in Chart 1 below.

Chart 1 – 2015 Revenues

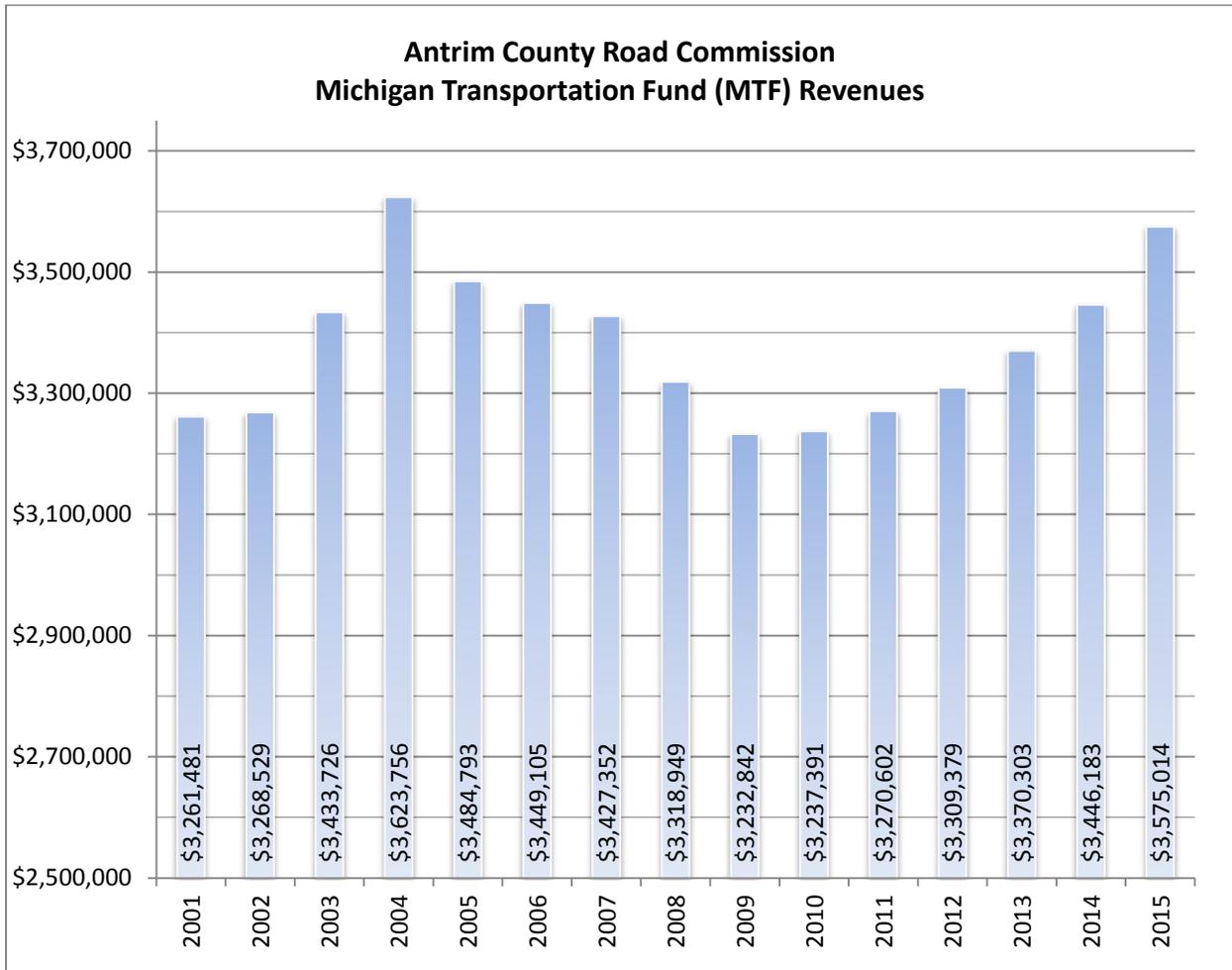


Total township contributions in 2015 amounted to \$1,821,407, up almost \$800,000 from 2014. This was unusual as the fourteen of the fifteen townships with road millages generate approximately \$1.3 million per year at current taxable values. Central Lake and Mancelona Townships had large projects which helped drive this number up.

Disposal of old equipment includes a \$234,000 insurance claim to replace a truck that was totaled. All trucks and equipment, excluding passenger vehicles, are insured for replacement value. This revenue was offset by the purchase of a replacement truck for roughly the same amount.

The MTF is the primary source of funding for all road agencies in Michigan. Revenues from gasoline tax, diesel fuel tax and vehicle registration fees make up most of the MTF which totaled almost \$2.05 billion in 2015, up 4.8% from the previous year's collection. Chart 2 below shows MTF revenues received by the ACRC over the last 15 years.

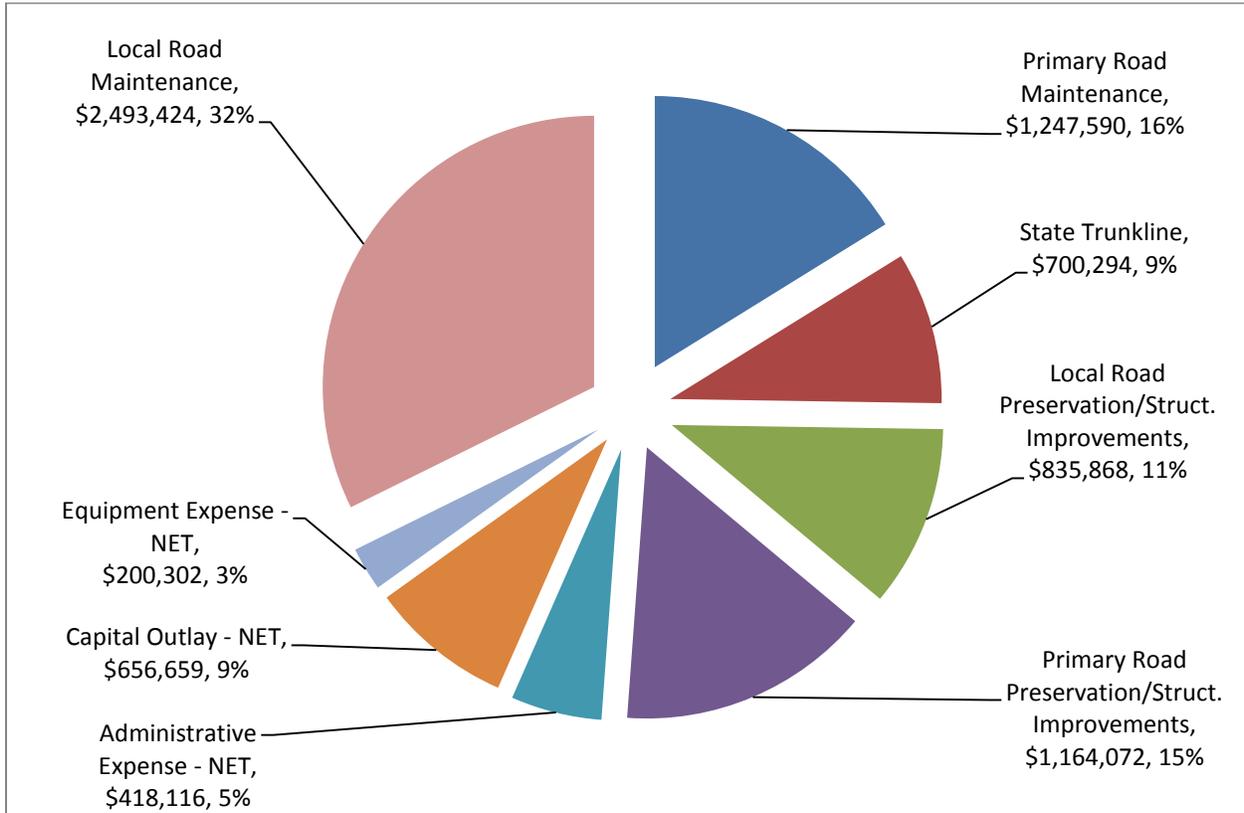
Chart 2 – Michigan Transportation Fund Revenues, 2001 – 2015



Expenses

Total expenses for 2015 were \$7,716,325. Chart 3 shows the breakdown of major expense items.

Chart 3 – 2015 Major Expense Categories



Primary and Local Road Maintenance includes routine maintenance such as winter snow and ice control, pot hole patching, gravel road grading and dust control, roadside mowing, etc. Pavement preventive maintenance is included in this category and include such treatments as thin hot mix asphalt overlays, crack filling and chip sealing. Preservation/Structural Improvements include paving gravel roads, hot mix asphalt overlays thicker than one and one half inch, three inches or more of aggregate on a gravel road, etc.

Snow and ice control is one of the single largest expenses under the local and primary road maintenance expenditures and totals \$963,601 for calendar year 2015. This was down \$430,000 from the previous calendar year.

Road Projects

Road projects completed in 2015 amounted to \$2,063,031 all of which were township requested projects. In accordance with current ACRC policy, funding for these projects is 10% ACRC and 90% townships when requested by a township. This is by far the most money spent on projects requested by the townships and is almost \$900,000 more than 2014.

Projects that had township cooperation included over 21 miles of chip seal, a pavement preventive treatment which prolongs the life of the road, 7.5 miles of resurfacing, two miles of gravel surfacing and just under one mile of paving gravel road.

An additional \$407,440 of Federal funds (\$244,173 Federal aid and \$163,266 Economic Development Cat. D funds which are also Federal funds) was used to improve 3.1 miles of C 42 (Alba Hwy). The remainder of C 42 will be resurfaced in 2016.

State Trunkline

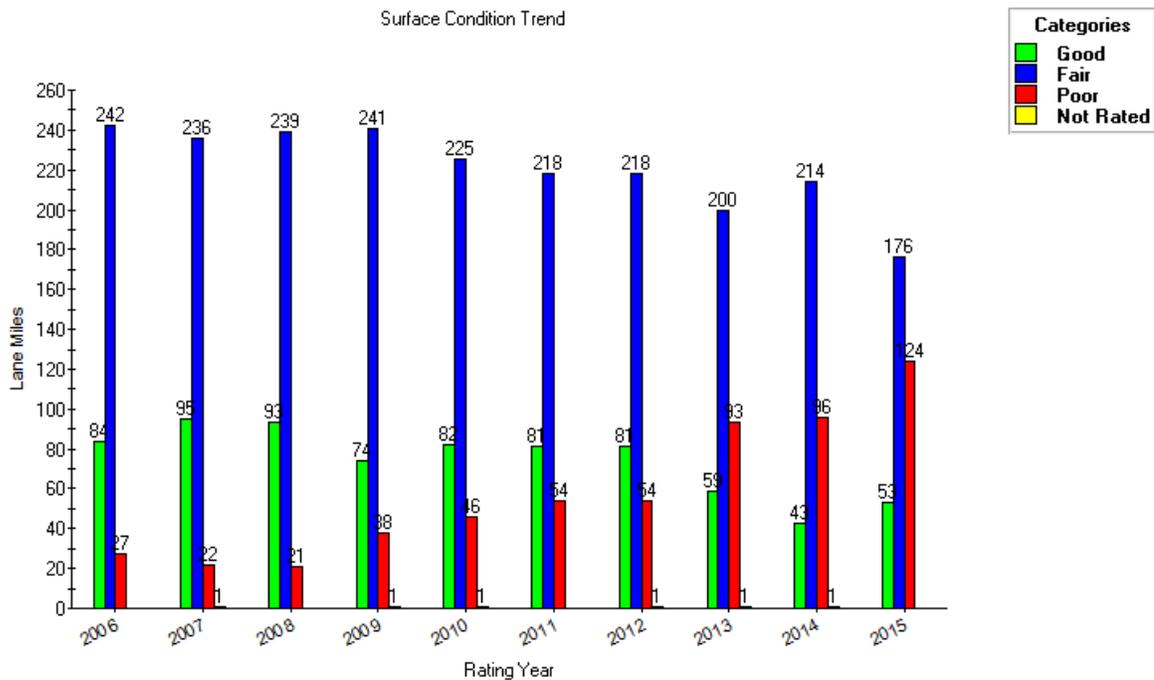
This item totaled \$700,294. The MDOT contracts with the ACRC for all routine maintenance needs on the state trunklines in the county. The majority of this work, like in the county road system, is winter maintenance. ACRC also provides patching, shoulder maintenance, tree and vegetation control and other routine or reactive work. All work is paid for monthly as incurred and is audited to actual cost after the fiscal year.

County Road Pavement Conditions

The State of Michigan passed legislation that requires the use of an asset management system for public paved road maintenance. The Asset Management Council was established as a result of this legislation. Michigan is recognized nationally as leader in pavement asset management.

Since 2003 we have been evaluating and rating our Federal Aid eligible paved road system in Michigan. Since the start, the ACRC has been involved in this annual rating on the county primary roads and the state highway systems. Chart 6 shows the Federal Aid eligible county primary road pavement condition trends for the last 10 years.

Chart 6 – Federal Aid Eligible Primary County Road Surface Condition Trend

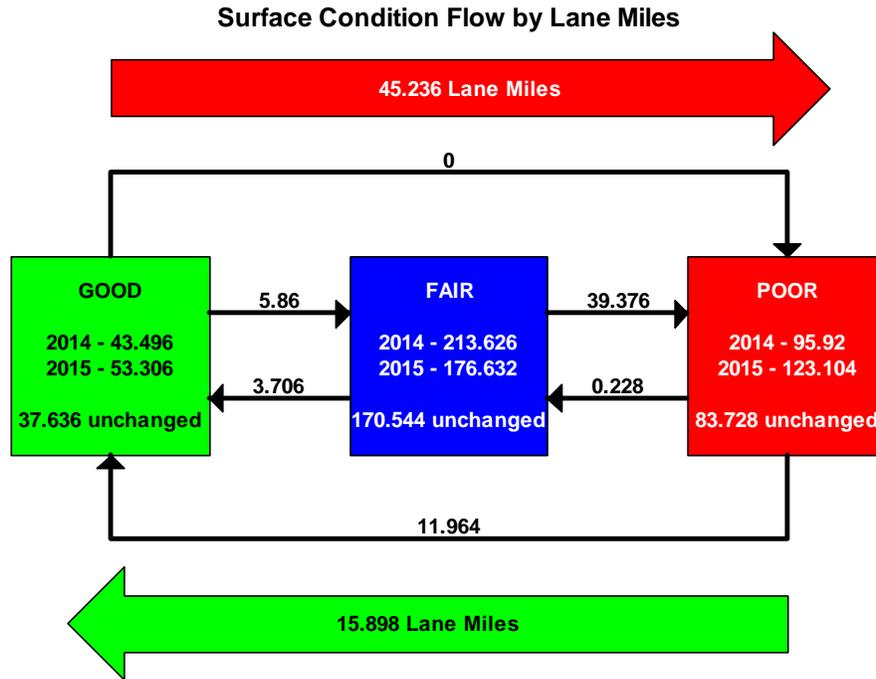


Note: this chart is in lane miles of roads, not centerline miles.

This chart represents 178 centerline miles of primary road, being only the roads that are eligible for federal aid and therefore have been rated every year since 2003. There are 32 miles of primary road that are not federal aid eligible.

Chart 7 below shows the lane miles that have changed from each rating, good, fair or poor, to the next either up or down.

Chart 7 – Federal Aid Eligible Primary County Road Surface Condition Flow

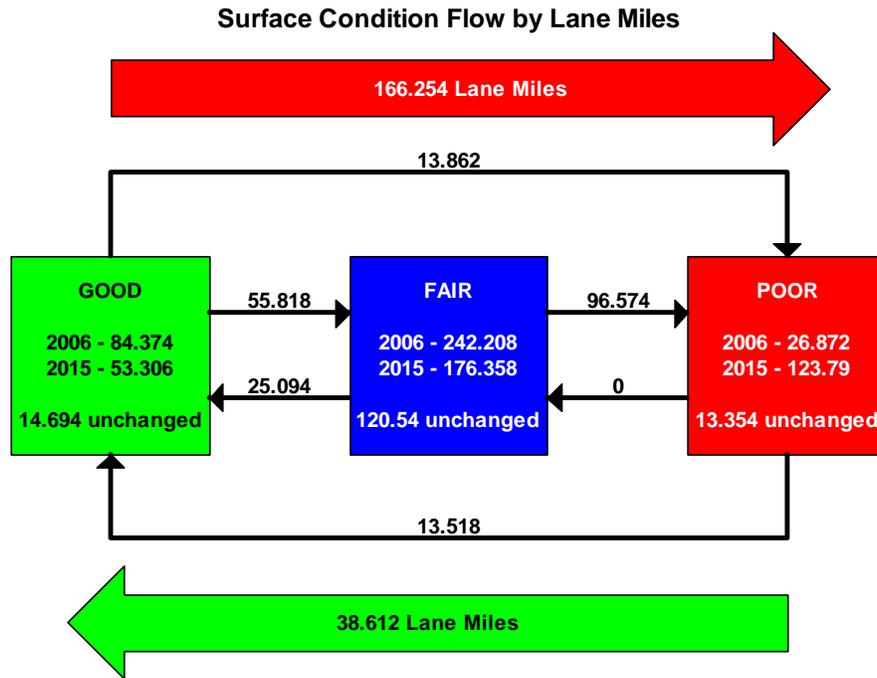


The large red arrow at the top shows the number of lane miles of roads that have dropped in condition between the years 2014 and 2015. About 23 centerline miles of roads have deteriorated, compared to 21 the year prior, while we have only upgraded less than 8 centerline miles, as shown by the large green arrow at the bottom. The smaller arrows show the exact changes from the different condition ratings.

Both 2014 and 2015 ratings reflect all work completed on the pavements thereby all improvements to ratings are included. The net change in pavement condition was a deterioration of almost 15 centerline miles even after an investment of over \$2.4 million. We are not keeping up with the needs and Chart 6 indicates an alarming acceleration of the deterioration. This was similar to the previous year's trends.

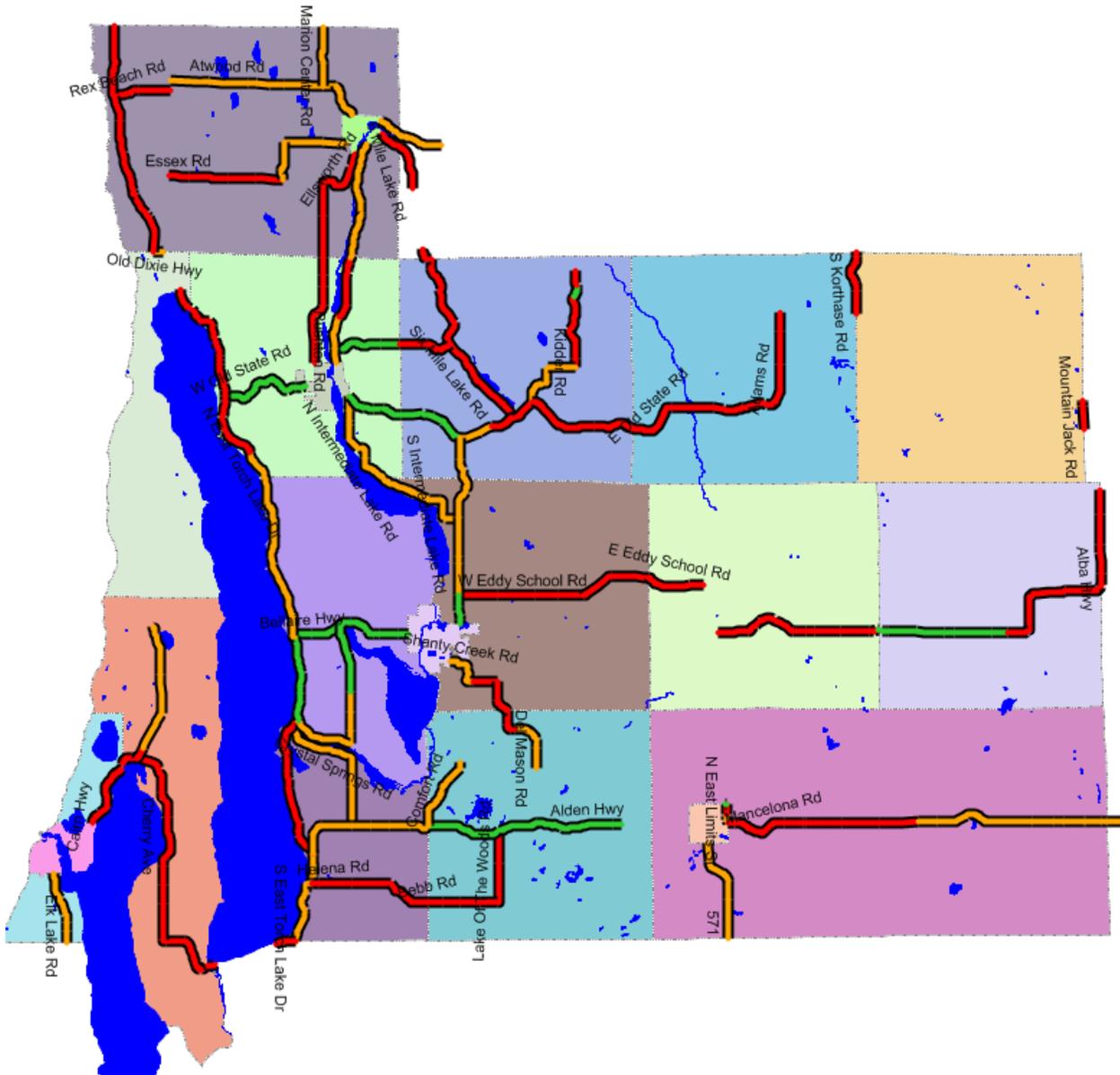
Chart 8 below is similar to Chart 7 except this compares the flow of conditions from 2006 until 2015.

Chart 8 – Federal Aid Eligible Primary County Road Surface Condition Flow Past 10 years



Over the last 10 years we have only been able to improve about 19 miles of roads while 83 miles have deteriorated. Note that this chart is only Federal aid eligible county roads and does not include local county roads.

The map below shows the current condition of federal aid paved roads only. The green roads are good, yellow is fair and red is poor. These correlate to the data depicted in Charts 6 and 7.

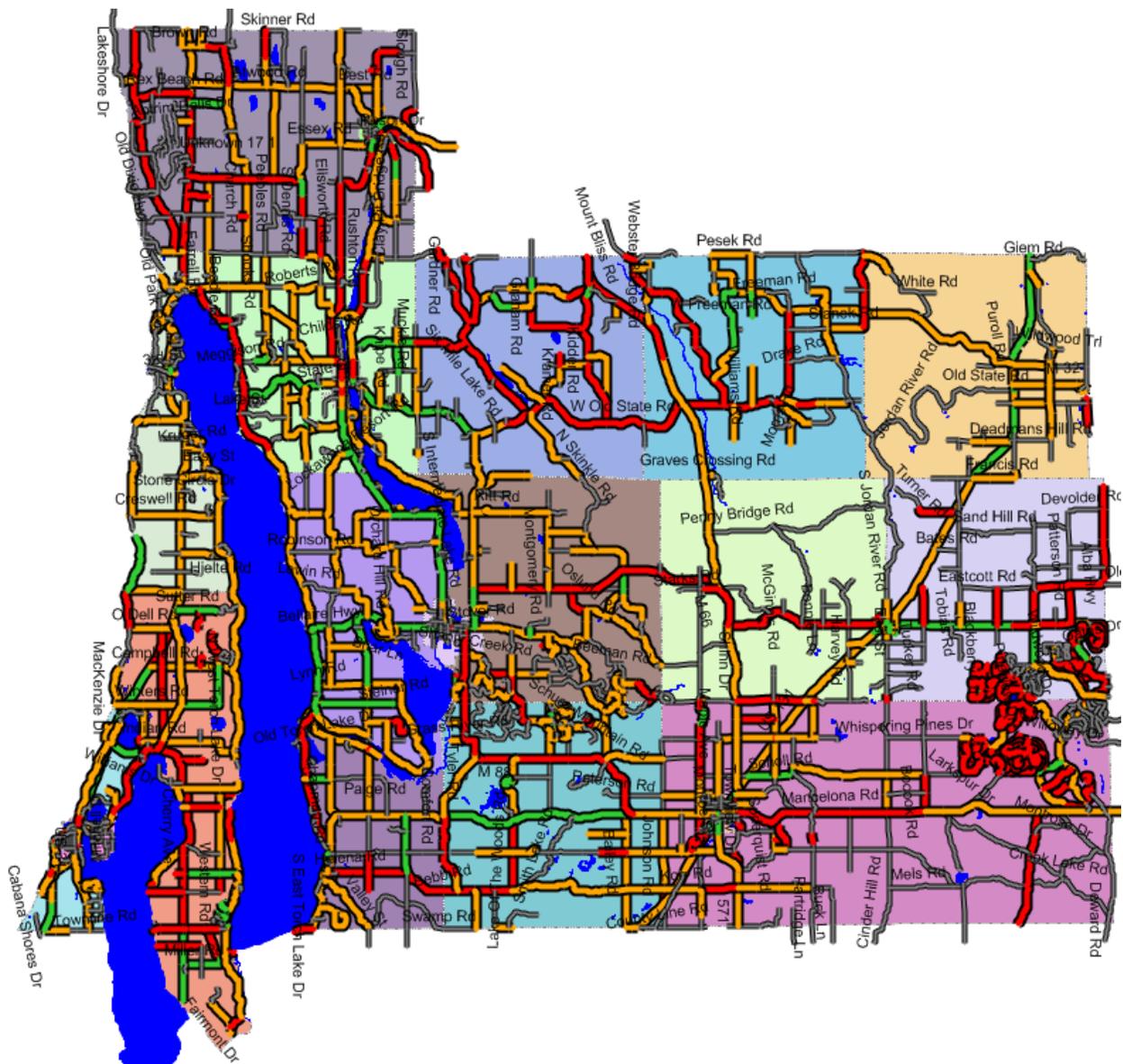


County Road Needs



The latest estimate of needs for the paved county road system is over \$34 million. This of course does not address the needs on the gravel and seasonal roads.

The map below is similar to the previous one except that this has all county roads including those that are federal aid eligible. This map includes the last rating entered on all paved roads. It is readily apparent the abundance of red, or poor condition.



Note: Village roads and State trunklines are included on this map.

Equipment



One of the three motor graders in the ACRC fleet was replaced at a cost of \$259,960 less trade in of \$16,000. Two pickups were replaced at a total cost of \$56,761. Three tandem axle plow trucks were purchased and put in service in December at a total cost of about \$700,000. One of these was covered by insurance due to the loss of a truck the previous winter which was insured for full replacement cost. Four snowplows were replaced at a cost of \$30,500. A few minor upgrades were made to existing equipment. Total equipment replacement costs less trade in equaled just over \$1 million.

Facility Needs

The ACRC maintains garages in Mancelona, Central Lake and Kewadin. The administration offices are located at the main garage in Mancelona.

There continues to be a need to replace the truck storage garage in Central Lake where the original building was built in 1940. The current estimate is over \$1 million. There is no definite schedule for this replacement.

All other facilities are in good shape and we continue to perform routine maintenance to keep them in good shape.

Staff

The ACRC employed 34 full time people during 2015, 23 truck drivers and equipment operators and three mechanics. This is the minimum efficient winter maintenance crew. There is need for more employees at different times throughout the year and we do supplement with temporary employees mainly during winter.

Summary

Although significant miles of roads were improved, the miles of roads that deteriorated is considerably larger. We continue to fall behind on road improvements.

There is some light at the end of the tunnel as a transportation funding package was passed by the legislature in 2015 and signed by the Governor in November. This funding will not begin until January of 2017 and those revenues will not begin to be dispersed until March of 2017 at the earliest. This new funding consists of an increase in vehicle registration fees by about 60%. This also includes an increase to the gasoline and diesel fuel taxes from 19 and 15 cents per gallon respectively to 26.3 cents per gallon. This will generate approximately \$900,000 more per year for the ACRC. In state fiscal year 18-19, appropriations from the state general fund to the MTF will be \$150 million, then in FY 19-20 the appropriation will be \$325 million and then FY 20-21 it will be \$600 million and will remain there for every year after. The total increase in

revenue to the MTF by the end of FY 20-21 will be \$1.15 billion. The total increase to the ACRC by the end of FY 20-21 will be \$2.16 million or almost 62% over current MTF revenues. Also, beginning January 1, 2022, the fuel tax rates will be adjusted annually by the rate of inflation or 5%, whichever is lower.

There are concerns by many that when the legislature budgets for FY 18-19 and beyond, there will be so many demands on the state general fund that there will be little, if any, left for transportation. It is encouraging to have future revenue growth in sight, but we will remain cautious as to how much will actually be realized.

Appendix A
Annual Financial Report for 2015
(Act 51 Report)

Appendix B
Basic Financial Statements for 2015
(Audit)

2015
FISCAL YEAR
ANNUAL FINANCIAL REPORT
BOARD OF COUNTY ROAD COMMISSIONERS

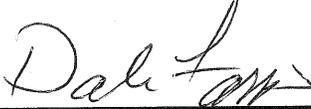
Antrim County

Michigan

Year Ended 2015

The financial report accurately reflects the Revenues and Expenditures of all road work and funds by systems, and conforms with the requirements of Act 51, Public Acts of 1951, as amended

ATTEST



Chief Financial Officer



Chairman

5-17-2016

Date

Year Ended - 2015

Start: 01/01/2015 End: 12/31/2015

BALANCE SHEET**Assets****General Operating Fund**

1. Cash	\$1,136,933.20
2. Investments	0.00
3. Accounts Receivable :	
a. Michigan Transportation Fund	515,302.24
b. State Trunkline Maintenance	54,714.75
c. State Transportation Department - Other	419.93
d. Due on County Road Agreement	159,211.57
e. Due on Special Assesment	0.00
f. Sundry Accounts Receivable	398,389.02

Inventories/Pre-Paid Insurance/Other

4. Deferred Expense State Aid	0.00
5. Road Materials	417,923.93
6. Equipment Materials and Parts	103,503.22
7. Prepaid Insurance	51,421.00
8. Deferred Expense - Federal Aid	0.00

9. Other

0.00

10. TOTAL ASSETS**\$2,837,818.86**

Year Ended - 2015

Start: 01/01/2015 End: 12/31/2015

Liabilities and Fund Balances

Liabilities

11. Accounts Payable	\$49,812.99
12. Notes Payable (Short Term)	0.00
13. Accrued Liability	16,942.42
14. Advances	183,707.00
15. Deferred Revenue - Special Assessment District	0.00
16. Deferred Revenue - EDF Forest Rd.(E)	0.00
17. Deferred Revenue	0.00
18. Other	258,570.60

Fund Balances

19. Primary Road Fund	1,195,659.06
20. Local Road Fund	4,068.42
21. County Road Commission Fund	1,129,058.37
22. Total Fund Balances	2,328,785.85

23. TOTAL LIABILITIES AND FUND BALANCES**\$2,837,818.86**

Year Ended - 2015

Start: 01/01/2015 End: 12/31/2015

CAPITAL ASSETS ACCOUNT GROUP

<u>Assets</u>	(A)	(B)	
24. Land		\$119,859.79	
25. Land Improvements	\$0.00		
25 a.Less: Accumulated Depreciation	0.00	0.00	
26. Depletable Assets	0.00		
26 a.Less: Accumulated Depreciation	0.00	0.00	
27. Buildings	2,482,738.85		
27 a.Less: Accumulated Depreciation	(1,214,756.34)	1,267,982.51	
28. Equipment - Road	7,515,424.95		
28 a.Less: Accumulated Depreciation	(5,716,878.90)	1,798,546.05	
29. Equipment - Shop	205,203.67		
29 a.Less: Accumulated Depreciation	(171,766.57)	33,437.10	
30. Equipment - Engineers	59,014.94		
30 a.Less: Accumulated Depreciation	(52,363.11)	6,651.83	
31. Yard and Storage Equipment	977,539.02		
31 a.Less: Accumulated Depreciation	(932,306.56)	45,232.46	
32. Office Equipment and Furniture	94,289.00		
32 a.Less: Accumulated Depreciation	(82,218.59)	12,070.41	
33. Infrastructure	39,808,596.00		
33 a.Less: Accumulated Depreciation	(12,457,034.00)	27,351,562.00	
34. Vehicles	0.00		
34 a.Less: Accumulated Depreciation	0.00	0.00	
35. Construction Work in Progress		0.00	
	36. Total Assets		<u>\$30,635,342.15</u>
 <u>Equities</u>			
37. Plant and Equipment Equity			
	37 a.Primary	0.00	
	37 b.Local	0.00	
	37 c.Co. Road Comm.	3,283,780.15	
	37 d.Infrastructure	27,351,562.00	
	38. Total Equities		<u>\$30,635,342.15</u>
 <u>Long Term Debt</u>			
39. Bonds Payable (Act 51)		0.00	
40. Notes Payable (Act 143)		0.00	
41. Vested Vacation and Sick Leave Payable		150,729.40	
42. Installment/Lease Purchase Payable		0.00	
43. Other		0.00	
	44. Total Liabilities		<u>\$150,729.40</u>
 <u>Fiduciary Fund</u>			
45. Deferred Compensation (Pension) Plan			<u>\$0.00</u>

Year Ended - 2015

Start: 01/01/2015 End: 12/31/2015

STATEMENT OF REVENUES

	Primary Road Fund (P)	Local Road Fund (L)	Co. Road Comm. Fund (C)	Total (T)
Taxes				
46. County Wide Millage	\$0.00	\$0.00	\$0.00	\$0.00
47. Other	0.00	0.00	0.00	0.00
48. Total Taxes	0.00	0.00	0.00	0.00
Licenses and Permits				
49. Specify	0.00	0.00	31,914.00	31,914.00
Federal Sources				
50. Surface Tran. Program (STP)	244,173.33	0.00	0.00	244,173.33
51. C Funds - Federal	0.00	0.00	0.00	0.00
52. D Funds - Federal	163,266.35	0.00	0.00	163,266.35
53. Bridge	0.00	0.00	0.00	0.00
54. High Priority	0.00	0.00	0.00	0.00
55. Other	0.00	0.00	0.00	0.00
56. Total Federal Sources	407,439.68	0.00	0.00	407,439.68
STATE SOURCES				
Michigan Transportation Fund				
57. Engineering	5,905.11	4,094.89		10,000.00
58. Snow Removal	156,474.51	158,490.29		314,964.80
59. Urban Road	0.00	0.00		0.00
60. Allocation	1,933,558.84	1,340,823.04		3,274,381.88
61. Total MTF	2,095,938.46	1,503,408.22		3,599,346.68
Other				
62. Local Bridge	0.00	0.00		0.00
63. Other	0.00	0.00	401,353.90	401,353.90
64. Total Other	0.00	0.00	401,353.90	401,353.90
Economic Development Fund				
65. Target Industries (A)	0.00	0.00		0.00
66. Urban congestion (C)	0.00	0.00		0.00
67. Rural Primary (D)	121,133.10	0.00		121,133.10
68. Forest Road (E)	0.00	51,104.36		51,104.36
69. Urban Area (F)	0.00	0.00		0.00
70. Other	0.00	0.00		0.00
71. Total EDF	121,133.10	51,104.36		172,237.46
72. Total State Sources	\$2,217,071.56	\$1,554,512.58	\$401,353.90	\$4,172,938.04

Year Ended - 2015

Start: 01/01/2015 End: 12/31/2015

STATEMENT OF REVENUES

	Primary Road Fund (P)	Local Road Fund (L)	Co. Road Comm. Fund (C)	Total (T)
Contributions From Local Units				
73. City and Village	\$0.00	\$0.00	\$0.00	\$0.00
74. Township Contr.	487,466.79	1,333,940.14	0.00	1,821,406.93
75. Other	0.00	0.00	6,906.24	6,906.24
76. Total Contributions	487,466.79	1,333,940.14	6,906.24	1,828,313.17
Charges for Service				
77. Trunkline Maintenance	0.00		611,291.91	611,291.91
78. Trunkline Non-maintenance	0.00		89,001.66	89,001.66
79. Salvage Sales	0.00	0.00	1,427.45	1,427.45
80. Other	0.00	0.00	0.00	0.00
81. Total Charges	0.00	0.00	701,721.02	701,721.02
Interest and Rents				
82. Interest Earned	234.56	0.95	172.37	407.88
83. Property Rentals	0.00	0.00	4,193.81	4,193.81
84. Total Interest/Rents	234.56	0.95	4,366.18	4,601.69
Other				
85. Special Assessments	0.00	0.00	0.00	0.00
86. Land and Bldg. Sales	0.00	0.00	0.00	0.00
87. Sundry Refunds	0.00	0.00	0.00	0.00
88. Gain (Loss) Equip. Disp.	0.00	0.00	256,869.00	256,869.00
89. Contributions from Private Sources	0.00	0.00	0.00	0.00
90. Other	0.00	0.00	0.00	0.00
91. Total Other	0.00	0.00	256,869.00	256,869.00
Other Financing Sources				
92. County Appropriation	0.00	0.00	0.00	0.00
93. Bond Proceeds	0.00	0.00	0.00	0.00
94. Note Proceeds	0.00	0.00	0.00	0.00
95. Inst. Purch./Leases	0.00	0.00	0.00	0.00
96. Total Other Fin. Sources	0.00	0.00	0.00	0.00
97. TOTAL REVENUE AND OTHER FINANCING SOURCES	\$3,112,212.59	\$2,888,453.67	\$1,403,130.34	\$7,403,796.60

Year Ended - 2015

Start: 01/01/2015 End: 12/31/2015

STATEMENT OF EXPENDITURES

	Primary Road Fund (P)	Local Road Fund (L)	Co. Road Comm. Fund (C)	Total (T)
Construction/Capacity Improvement				
98. Roads	\$0.00	\$0.00		\$0.00
99. Structures	0.00	0.00		0.00
100. Roadside Parks	0.00	0.00		0.00
101. Special Assessments	0.00	0.00		0.00
102. Other	0.00	0.00		0.00
103. Total Construction/Cap. Imp.	0.00	0.00		0.00
Preservation - Structural Improvements				
104. Roads	1,164,071.51	835,868.27		1,999,939.78
105. Structures	0.00	0.00		0.00
106. Safety Projects	0.00	0.00		0.00
107. Roadside Parks	0.00	0.00		0.00
108. Special Assessments	0.00	0.00		0.00
109. Other	0.00	0.00		0.00
110. Total Preservation - Struct. Imp.	1,164,071.51	835,868.27		1,999,939.78
Maintenance				
111. Roads	725,482.78	1,961,992.01		2,687,474.79
112. Structures	1,329.90	0.00		1,329.90
113. Roadside Parks	0.00	0.00		0.00
114. Winter Maintenance	478,711.16	484,890.08		963,601.24
115. Traffic Control	42,066.01	46,541.77		88,607.78
116. Total Maintenance	1,247,589.85	2,493,423.86		3,741,013.71
117. Total Construction, Preservation And Maintenance.	2,411,661.36	3,329,292.13		5,740,953.49
Other				
118. Trunkline Maintenance	0.00		611,291.91	611,291.91
119. Trunkline Non-maintenance	0.00		89,001.64	89,001.64
120. Administrative Expense	175,642.08	242,473.43		418,115.51
121. Equipment - Net	48,523.29	118,568.34		200,302.31
122. Capital Outlay - Net	0.00	0.00	656,658.59	656,658.59
123. Debt Principal Payment	0.00	0.00	0.00	0.00
124. Interest Expense	0.00	0.00	0.00	0.00
125. Drain Assessment	0.00	0.00	0.00	0.00
126. Other	0.00	0.00	0.00	0.00
127. Total Other	224,165.37	361,041.77	1,390,162.82	1,975,369.96
128. Total Expenditures	\$2,635,826.73	\$3,690,333.90	\$1,390,162.82	\$7,716,323.45

Year Ended - 2015

Start: 01/01/2015 End: 12/31/2015

STATEMENT OF CHANGES IN FUND BALANCES

	Primary Road Fund (P)	Local Road Fund (L)	Co. Road Comm. Fund (C)	Total (T)
129. Total Revenues And Other Financing Sources	<u>\$3,112,212.59</u>	<u>\$2,888,453.67</u>	<u>\$1,403,130.34</u>	<u>\$7,403,796.60</u>
130. Total Expenditures	<u>2,635,826.73</u>	<u>3,690,333.90</u>	<u>1,390,162.82</u>	<u>7,716,323.45</u>
131. Excess of Revenues Over (Under) Expenditures	<u>476,385.86</u>	<u>(801,880.23)</u>	<u>12,967.52</u>	<u>(312,526.85)</u>
132. Optional Transfers				
132 a. Primary to Local (50%)	<u>(800,000.00)</u>	<u>800,000.00</u>		<u>0.00</u>
132 b. Local to Primary (15%)	<u>0.00</u>	<u>0.00</u>		<u>0.00</u>
133. Emergency Transfers (Local to Primary)	<u>0.00</u>	<u>0.00</u>		<u>0.00</u>
134. Total Optional Transfers	<u>(800,000.00)</u>	<u>800,000.00</u>		<u>0.00</u>
135. Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	<u>(323,614.14)</u>	<u>(1,880.23)</u>	<u>12,967.52</u>	<u>(312,526.85)</u>
136. Beginning Fund	<u>1,519,273.20</u>	<u>5,948.65</u>	<u>1,116,090.85</u>	<u>2,641,312.70</u>
137. Adjustment	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
138. Beginning Fund Balance Restated	<u>1,519,273.20</u>	<u>5,948.65</u>	<u>1,116,090.85</u>	<u>2,641,312.70</u>
139. Interfund Transfer(County to Primary and/or Local)	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
140. Ending Fund Balance	<u>\$1,195,659.06</u>	<u>\$4,068.42</u>	<u>\$1,129,058.37</u>	<u>\$2,328,785.85</u>

Year Ended - 2015

Start: 01/01/2015 End: 12/31/2015

EQUIPMENT EXPENSE

Direct Equipment Expense

141. Labor and Fringe Benefits	\$249,232.60	
142. Depreciation	<u>425,725.63</u>	
143. Other	<u>323,745.94</u>	
144. Total Direct		<u>998,704.17</u>

145. Indirect Equipment Expense		<u>555,435.86</u>
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Operating Equipment Expense

146. Labor and Fringe Benefits	0.00	
147. Operating Expenses	<u>231,991.07</u>	
148. Total Operating		<u>\$231,991.07</u>

149. TOTAL EQUIPMENT EXPENSE \$1,786,131.10

Equipment Rental Credits:

	<u>Primary</u>	<u>Local</u>	<u>County</u>	<u>Total</u>
150. Construction/Capacity Improvement	0.00	0.00		0.00
151. Preservation - Structural Improvement	20,158.05	107,967.51		128,125.56
152. Maintenance	364,009.38	830,759.03		1,194,768.41
153. Inventory Operations	0.00	0.00	23,525.16	23,525.16
154. MDOT	0.00		208,479.08	208,479.08
155. Other Reimbursable Charges	0.00	0.00	0.00	0.00
156. All Other Charges	0.00	0.00	30,930.58	30,930.58
157. Total Equipment Rental Credits	<u>384,167.43</u>	<u>938,726.54</u>	<u>262,934.82</u>	<u>1,585,828.79</u>
	(A)	(B)	(C)	(D)
158. (Gain) or Loss on Usage of Equipment				<u>200,302.31</u>

PRORATION OF EQUIPMENT USAGE GAIN OR LOSS

(Net Equipment Expense)

159. Equipment Rental Credits	<u>\$384,167.43</u>	<u>\$938,726.54</u>	<u>\$262,934.82</u>	<u>\$1,585,828.79</u>
	(A)	(B)	(C)	(D)
160. Percent of Total	24.23 %	59.19 %	16.58 %	100.00 %
161. Prorated Total Equipment Expense	<u>432,690.72</u>	<u>1,057,294.88</u>	<u>296,145.50</u>	<u>1,786,131.10</u>
162. Prorated Gain/Loss On Usage (Net Equipment Expense)	<u>48,523.29</u>	<u>118,568.34</u>	<u>33,210.68</u>	<u>200,302.31</u>

Year Ended - 2015

Start: 01/01/2015 End: 12/31/2015

DISTRIBUTIVE EXPENSE - FRINGE BENEFITS

	Total Labor Charge	Distributive Calc.
163. Primary Construction/Cap. Imp.	\$0.00	\$0.00
164. Primary Preservation - Struct Imp.	17,304.18	21,324.36
165. Primary Maintenance	211,973.58	261,220.15
166. Local Construction/Cap. Imp.	0.00	0.00
167. Local Preservation - Struct. Imp.	45,790.92	56,429.25
168. Local Maintenance	352,067.73	433,861.53
169. Inventory	6,204.12	0.00
170. Equipment Expense - Direct	111,647.13	137,585.47
171. Equipment Expense - Indirect	100,546.57	123,905.96
172. Equipment Expense - Operating	0.00	0.00
173. Administration	188,748.86	203,876.27
174. State Trunkline Maintenance	146,142.95	
175. Sundry Account Rec.	5,304.56	
176. Capital Outlay	1,434.08	1,767.24
177. Other	461,357.83	135,346.96
178. Total Payroll	\$1,648,522.51	
179. Less Applicable Payroll	0.00	
180. Total Applicable Labor Cost	\$1,648,522.51	Total Distributive \$1,375,317.19

	709-714 Vacation Holiday Sick Leave Longevity	719 Workers Comp. Insurance	715 - 718 Soc. Sec. Retirement	716 Health Insurance	717 Life and Disability Insurance	720 - 725 Other	Distributive Total Calc.
181. Total Fringe Benefits	\$161,629.18	\$66,174.00	\$778,743.16	\$509,398.27	\$20,691.81	\$0.00	\$1,536,636.42
182. Less: Benefits Recovered	(16,968.16)	(6,947.08)	(81,754.05)	(53,477.67)	(2,172.27)	0.00	(161,319.23)
183. Less: Refunds	0.00	0.00	0.00	0.00	0.00	0.00	0.00
184. Benefits to be Distributed	144,661.02	59,226.92	696,989.11	455,920.60	18,519.54	0.00	1,375,317.19
185. Applicable Labor Cost	950,594.85	1,139,343.71	1,139,343.71	1,139,343.71	1,139,343.71	1,139,343.71	
186. Factor	0.152179	0.051983	0.611746	0.400161	0.016255	0.000000	1.232324

Year Ended - 2015

Start: 01/01/2015 **End:** 12/31/2015

**DISTRIBUTIVE EXPENSE - OVERHEAD
Account No. 705 - 957**

	Cost of Operations	Distributed Total
187. Primary Construction/Cap. Imp.	\$0.00	\$0.00
188. Primary Preservation - Struct Imp.	1,115,310.86	48,760.65
189. Primary Maintenance	1,195,330.77	52,259.08
190. Local Construction/Cap. Imp.	0.00	0.00
191. Local Preservation - Struct. Imp.	800,855.43	35,012.84
192. Local Maintenance	2,388,979.28	104,444.58
193. Other	0.00	0.00
194. TOTAL	\$5,500,476.34	\$240,477.15

	790 Small Road Tools	791 Inventory Adjustment	882 Liability	716 Health Insurance	Other	Total
195. Expenses Distributed	3,343.18	(2,464.94)	(30,584.00)	0.00	270,182.91	\$240,477.15
196. Applicable Operation Cost	5,500,476.34	5,500,476.34	5,500,476.34	5,500,476.34	5,500,476.34	
197. Factor	0.000608	(0.000448)	(0.005560)	0.000000	0.049120	\$0.043720

Year Ended - 2015

Start: 01/01/2015 End: 12/31/2015

ANALYSIS OF CONSTRUCTION AND MAINTENANCE

Optional for noncontract counties

	Performed by County		Performed by Contractor		Totals	
	<u>Primary</u>	<u>Local</u>	<u>Primary</u>	<u>Local</u>	<u>Primary</u>	<u>Local</u>
198. Constr/Cap. Imp.	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
199. Preser - Struct. Imp.	79,867.13	267,908.27	1,084,204.38	567,960.00	1,164,071.51	835,868.27
200. Special Assessment	0.00	0.00	0.00	0.00	0.00	0.00
201. Maintenance	1,101,991.09	1,917,126.93	145,598.76	576,296.93	1,247,589.85	2,493,423.86
202. Total	<u>\$1,181,858.22</u>	<u>\$2,185,035.20</u>	<u>\$1,229,803.14</u>	<u>\$1,144,256.93</u>	<u>\$2,411,661.36</u>	<u>\$3,329,292.13</u>

Year Ended - 2015

Start: 01/01/2015 End: 12/31/2015

ANALYSIS OF ACCOUNTS RECEIVABLE

Optional for noncontract counties

	Trunkline Maintenance	MDOT Other
203. Labor	\$146,142.95	\$137.18
204. Fringe Benefits	149,065.79	139.92
205. Equipment Rental	208,412.38	66.70
206. Materials	45,826.29	81,685.36
207. Handling Charges	0.00	0.00
208. Overhead	61,844.56	6,972.48
209. Other	0.00	0.00
210. Total Charges for Current Yea	\$611,291.97	\$89,001.64
211. Beginning Balance	65,478.22	456.18
212. Sub-Total	676,770.19	89,457.82
213. Less Credits	(622,055.44)	(89,037.89)
214. Ending Balance	\$54,714.75	\$419.93

Year Ended - 2015

Start: 01/01/2015 End: 12/31/2015

SCHEDULE OF CAPITAL OUTLAY

215. Land and Improvements (971 - 974)	\$0.00
216. Buildings (975)	0.00
217. Equipment Road (976, 981)	1,125,993.88
218. Equipment Shop (977)	1,523.50
219. Equipment Engineers (978)	0.00
220. Yard and Storage Equipment (979)	18,876.48
221. Equipment Office (980)	11,455.00
222. Depletable Assets (987)	0.00
223. Total Capital Outlay:	<u>\$1,157,848.86</u>

	<u>Primary</u>	<u>Local</u>	<u>County</u>	<u>Total</u>
224. Total Capital Outlay:	0.00	0.00	1,157,848.86	1,157,848.86
225. Less: Equipment Retirements 689	0.00	0.00	0.00	0.00
226. Sub-total	0.00	0.00	1,157,848.86	1,157,848.86
227. Less: Depreciation and Depletion 968	0.00	0.00	(501,190.27)	(501,190.27)
228. Net Capital Outlay Expenditure	<u>\$0.00</u>	<u>\$0.00</u>	<u>\$656,658.59</u>	<u>\$656,658.59</u>

DISTRIBUTION OF GAIN OR LOSS ON DISPOSAL OF ASSETS

	<u>Primary</u>	<u>Local</u>	<u>County</u>	<u>Total</u>
229. Beginning Capital Asset Balance				
Prior Year's Report (Pg. 2)	0.00	0.00	2,303,746.90	2,303,746.90
230. Percentage of Total	0.00 %	0.00 %	100.00 %	100.00 %
231. Gain or (loss) on disposal of assets 693	0.00	0.00	256,869.00	256,869.00

Year Ended - 2015

Start: 01/01/2015 End: 12/31/2015

MAINTENANCE EXPENDITURES - 90% OF MTF RETURNS

(For Compliance with Section 12(16) of Act 51)

	Primary Road Fund	Local Road Fund	Total
232. Michigan Transportation Fund (MTF) Returns			<u>\$3,599,346.68</u>
<u>DEDUCTIONS</u>			
233. Administrative Expense (from Page 5 Expenditures)			<u>418,115.51</u>
234. Total Capital Outlay (from Capital Outlay)			<u>1,157,848.86</u>
235. Debt Principal Payment (from Page 5 Expenditures)			<u>0.00</u>
236. Interest Expense (from Page 5 Expenditures)			<u>0.00</u>
236 a. Total Deductions			<u>1,575,964.37</u>
236 b. Adjusted MTF Returns			<u>2,023,382.31</u>
237. Preser - Struct Imp (from Page 5 Expenditures)	<u>\$1,164,071.51</u>	<u>\$835,868.27</u>	<u>1,999,939.78</u>
238. Routine Maintenance (from Page 5 Expenditures)	<u>1,247,589.85</u>	<u>2,493,423.86</u>	<u>3,741,013.71</u>
239. Less Federal Aid for Preser - Struct Imp	<u>(406,980.05)</u>	<u>0.00</u>	<u>(406,980.05)</u>
240. TOTAL RD EXPENSE (Excluding Fed Aid)	<u>2,004,681.31</u>	<u>3,329,292.13</u>	<u>5,333,973.44</u>
241. 90% of Adjusted MTF Returns			<u>1,821,044.08</u>

Year Ended - 2015

Start: 01/01/2015 **End:** 12/31/2015

**TEN YEARS OF QUALIFIED EXPENDITURES
FOR NON MOTORIZED IMPROVEMENTS**
(for Compliance with Section 10K of Act 51)

Fiscal Year	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
Expenditures (\$)	<u>233,477.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
Fiscal Year	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Expenditures (\$)	<u>68,000.00</u>	<u>0.00</u>	<u>80,000.00</u>	<u>322,701.65</u>	<u>0.00</u>
				242. TOTAL	<u>\$704,178.65</u>

Total must equal or exceed 1% of your Fiscal Year MTF returns multiplied by 10

$$\underline{3,599,346.68} \times .10 = \underline{359,934.67}$$

Year Ended - 2015

Start: 01/01/2015 End: 12/31/2015

INDIRECT EQUIPMENT AND STORAGE EXPENSE
Activity 511

Account Number	Account Name	Amount Recorded
707	Wages - Shop and Garage	\$100,546.57
712-724	Fringe Benefits - Shop Employees	123,905.96
721	Drug Testing	2,493.19
728	Office Supplies - Shop	0.00
731	Janitor Supplies - Shop	5,423.02
733	Welding Supplies	5,562.70
734	Safety Supplies - Shop	0.00
736	Tire Shop Supplies	0.00
737	Shop Supplies	36,546.99
791	Equipment Material/Parts Inventory Adjustment	5,446.09
801	Contractual Services - Shop	0.00
805	Health Services	0.00
806	Laundry Services	7,134.76
807	Data Processing - Shop	0.00
810	Education Expense - Shop	3,875.81
850-859	Communications - Shop	4,454.02
861	Travel and Mileage - Shop Employees	0.00
862	Freight Costs	12.90
875	Insurance - Shop Buildings	14,735.00
876	Insurance - Boiler and Machine	0.00
878	Insurance - Fleet	62,926.00
883	Insurance - Underground Tank	0.00
921-923	Utilities - Shop and Storage Buildings	47,220.05
931	Buildings Repairs and Maintenance	21,079.58
932	Yard and Storage Repairs and Maintenance	22,925.45
933	Shop Equipment Repairs and Maintenance	440.20
934	Office Equipment Repairs and Maintenance	0.00
941	Equipment Rental - Shop Pickup/Wrecker	0.00
944-947	Underground Storage Tank Expense	0.00
956	Safety Expense - Shop	5,708.77
968	Depreciation - Shop Building	55,454.40
968	Depreciation - Storage Building	4,533.62
968	Depreciation - Shop Equipment	11,079.53
968	Depreciation - Stockroom Expense	0.00
707	Other:	13,931.25
	243. TOTAL	\$555,435.86

Year Ended - 2015

Start: 01/01/2015 End: 12/31/2015

ADMINISTRATIVE EXPENSE SCHEDULE AND ALLOCATION

(for Compliance with Section 14(4) of Act 51)

Account Number	Account Name	Amount Recorded
703-708	Salaries and Wages	\$188,748.86
709-714	Administrative Leave	0.00
724	Fringe Benefits	203,876.27
727	Postage	1,591.71
728	Office Supplies	3,541.38
730	Dues and Subscriptions	9,375.22
801	Contractual Services	0.00
803	Legal Services	1,685.00
804	Auditing and Accounting Services	14,089.75
807	Data Processing	15,521.78
810	Education	4,205.00
850-853	Communications	9,152.87
861	Travel and Mileage	10,757.86
862	Freight	0.00
873	Public Relations	0.00
874	Advertising	1,457.35
875	Insurance - Building and Contents	0.00
876	Insurance - Boiler and Machinery	0.00
877	Insurance - Bonds	0.00
880	Insurance - Umbrella	0.00
881	Insurance - Errors and Omissions	14,350.00
882	Insurance - General Liability	0.00
920-923	Utilities	5,419.33
931	Building Repair/Maintenance	773.17
934	Office Equipment Repair/Maintenance	0.00
942	Building Rental	0.00
955-956	Miscellaneous	3,367.48
966-967	Overhead	0.00
968	Depreciation - Buildings	0.00
968	Depreciation - Engineering Equipment	2,671.61
968	Depreciation - Office Equipment and Furniture	1,725.48
	Other:	2,608.95
	244. TOTAL	\$494,919.07
Less: Credits to Administrative Expense		
646	Handling Charges on Materials Sold	(6,468.08)
629	Overhead - State Trunkline Maintenance	(68,816.98)
691	Purchase Discounts	(1,518.50)
	Other:	0.00
	Total Credits to Administrative Expense	\$(76,803.56)
	245. Net Administrative Expense	\$418,115.51

Year Ended - 2015

Start: 01/01/2015 **End:** 12/31/2015

Forest Road Report

This information is required by Act 231, P.A. of 1987, as amended.

<u>Road Name</u>	<u>Location</u>	<u>Amount Spent (\$)</u>	<u>Project Type</u>
Alba Highway (C-42)	Star Twp.	51,104.36	Resurfacing
246. Total		<u>\$51,104.36</u>	

Year Ended - 2015

Start: 01/01/2015 End: 12/31/2015

**CONSTRUCTION / CAPACITY IMPROVEMENTS / STRUCTURAL IMPROVEMENTS
Summary**

CONSTRUCTION / CAPACITY IMPROVEMENTS

	Primary System		Local System	
	*Unit	Expenditures	*Unit	Expenditures
ROADS				
247. New Construction, New Location	0.00 mi.	\$0.00	0.00 mi.	\$0.00
248. Widening	0.00 mi.	0.00	0.00 mi.	0.00
BRIDGES				
249. New Location	0.00 ea.	0.00	0.00 ea.	0.00
250. TOTAL CONSTRUCTION/CAPACITY IMP		\$0.00		\$0.00

PRESERVATION - STRUCTURAL IMPROVEMENTS

	Primary System		Local System	
	*Unit	Expenditures	*Unit	Expenditures
ROADS				
251. Reconstruction	0.00 mi.	\$0.00	0.00 mi.	\$0.00
252. Resurfacing	5.99 mi.	1,164,071.51	4.65 mi.	543,392.79
253. Gravel Surfacing	0.00 mi.	0.00	2.06 mi.	78,986.31
254. Paving Gravel Roads	0.00 mi.	0.00	0.92 mi.	213,489.17
SAFETY PROJECTS				
255. Intersection Improvements	0.00 ea.	0.00	0.00 ea.	0.00
256. Railroad Crossing Improvements	0.00 ea.	0.00	0.00 ea.	0.00
257. Other	0.00 ea.	0.00	0.00 ea.	0.00
MISCELLANEOUS				
258. Roadside Parks	0.00 ea.	0.00	0.00 ea.	0.00
259. Other	0.00 ea.	0.00	0.00 ea.	0.00
260. Subtotals		1,164,071.51		835,868.27
BRIDGES				
261. Replacement	0.00 ea.	0.00	0.00 ea.	0.00
262. Recondition or Repair	0.00 ea.	0.00	0.00 ea.	0.00
263. Replace with Culvert	0.00 ea.	0.00	0.00 ea.	0.00
264. Bridge Subtotals		0.00		0.00
265. TOTAL PRESERVATION - STRUCT IMP		\$1,164,071.51		\$835,868.27

*All Units are to be reported in the Fiscal Year that the project is opened for use.

Year Ended - 2015

Start: 01/01/2015 End: 12/31/2015

SCHEDULE OF TOWNSHIP MILEAGE AND POPULATION

Township	Local Roads			Primary Roads				
	Total Local (mi)	Local Urban (mi)	Funds Received (\$)	Total Primary (mi)	Primary Urban (mi)	Funds Received (\$)	Population Outside Municipalities	Funds Received (\$)
BANKS	56.58	0.00	95,733.36	28.14	0.00	43,504.44	1,260	15,157.80
CENTRAL LAKE	37.13	0.00	62,823.96	20.11	0.00	31,090.06	1,246	14,989.38
CHESTONIA	32.30	0.00	54,651.60	5.94	0.00	9,183.24	511	6,147.33
CUSTER	45.41	0.00	76,833.72	14.93	0.00	23,081.78	1,136	13,666.08
ECHO	27.67	0.00	46,817.64	22.23	0.00	34,367.58	877	10,550.31
ELK RAPIDS	8.94	0.00	15,126.48	5.28	0.00	8,162.88	989	11,897.67
FOREST HOME	32.25	0.00	54,567.00	20.96	0.00	32,404.16	1,177	14,159.31
HELENA	25.40	0.00	42,976.80	17.16	0.00	26,529.36	1,001	12,042.03
JORDAN	28.79	0.00	48,712.68	10.95	0.00	16,928.70	992	11,933.76
KEARNEY	44.17	0.00	74,735.64	14.47	0.00	22,370.62	1,222	14,700.66
MANCELONA	145.74	0.00	246,592.09	17.64	0.00	27,271.44	3,010	36,210.30
MILTON	47.89	0.00	81,029.88	17.70	0.00	27,364.20	2,204	26,514.12
STAR	76.38	0.00	129,234.96	8.15	0.00	12,599.90	926	11,139.78
TORCH LAKE	19.36	0.00	32,757.12	5.05	0.00	7,807.30	1,194	14,363.82
WARNER	34.94	0.00	59,118.48	1.72	0.00	2,659.12	416	5,004.48
266. Totals	662.95	0.00	\$1,121,711.41	210.43	0.00	\$325,324.78	18,161	\$218,476.83

Local Road Rate Per Mile	<u>1692</u>	Primary Road Rate Per Mile	<u>1546</u>
Local Urban Road Rate Per Mile	<u>1479</u>	Primary Urban Road Rate Per Mile	<u>8871</u>
Population Rate Per Capita	<u>12.03</u>		

Year Ended - 2015

Start: 01/01/2015 End: 12/31/2015

SCHEDULE OF TOWNSHIP EXPENDITURES AND CONTRIBUTIONS
Expenditures

Township	Construction/ Capacity Improvement (\$)	Preservation - Struct Improvement (\$)	Total (\$)	Township Contributions* (\$)
BANKS	0.00	21,782.86	21,782.86	141,077.68
CENTRAL LAKE	0.00	482,573.43	482,573.43	409,211.57
CHESTONIA	0.00	22,824.56	22,824.56	0.00
CUSTER	0.00	54,773.54	54,773.54	95,109.55
ECHO	0.00	78,818.24	78,818.24	24,372.69
ELK RAPIDS				
FOREST HOME	0.00	0.00	0.00	163,160.31
HELENA	0.00	199,554.75	199,554.75	175,066.92
JORDAN	0.00	0.00	0.00	43,917.80
KEARNEY	0.00	61,346.84	61,346.84	66,033.29
MANCELONA	0.00	0.00	0.00	302,102.68
MILTON	0.00	390,205.88	390,205.88	333,682.34
STAR	0.00	630,764.15	630,764.15	0.00
TORCH LAKE	0.00	37,066.53	37,066.53	4,294.63
WARNER	0.00	20,229.00	20,229.00	63,377.47
267. Totals	\$0.00	\$1,999,939.78	\$1,999,939.78	\$1,821,406.93

*The Township Contributions Totals and the Funds expended for Construction and Preservation amount may not balance. The Township Contributions list all funds contributed by each township and will balance back to the amount reported on the Statement of Revenues, Line 74, Township Contributions.

The total funds expended are for Construction and Preservation only. They do not contain funds expended for Routine Preventative Maintenance.

Year Ended - 2015

Start: 01/01/2015 End: 12/31/2015

ASSET MANAGEMENT
Projects Completed During the County Fiscal Year

Work Type:

<u>Project ID/Name</u>	<u>Total Project Cost</u>	<u>Date Open to Traffic</u>	<u>Pavement Type</u>
504.1534	17,019.38	09/26/2015	Asphalt
489.1513	248,807.83	07/28/2015	Seal Coat
489.1517	61,346.84	07/16/2015	Asphalt
489.1511	54,773.54	07/10/2015	Asphalt
489.1515	141,398.05	07/09/2015	Seal Coat

Work Type: Hot Mixed Asphalt Resurfacing (One Course)

<u>Project ID/Name</u>	<u>Total Project Cost</u>	<u>Date Open to Traffic</u>	<u>Pavement Type</u>
123374A	567,815.19	08/31/2015	Asphalt
459.1507	81,516.29	08/31/2015	Asphalt
489.1525	37,066.53	08/20/2015	Asphalt
459.1503	476,384.49	07/15/2015	Asphalt

Work Type: Minor Rehabilitation

<u>Project ID/Name</u>	<u>Total Project Cost</u>	<u>Date Open to Traffic</u>	<u>Pavement Type</u>
489.1523	162,580.30	09/30/2015	Asphalt
489.1509	50,092.11	05/05/2015	Asphalt

Work Type: Single Course Chip Seal

<u>Project ID/Name</u>	<u>Total Project Cost</u>	<u>Date Open to Traffic</u>	<u>Pavement Type</u>
474.1504	32,503.32	08/31/2015	Asphalt
504.1512	16,258.01	08/31/2015	Asphalt
504.1514	23,068.47	08/31/2015	Asphalt
504.1516	16,850.58	08/31/2015	Asphalt
504.1518	11,816.16	08/31/2015	Asphalt
504.1520	25,595.33	08/31/2015	Asphalt
504.1522	47,632.51	08/31/2015	Asphalt
504.1524	30,764.74	08/31/2015	Asphalt
504.1526	50,235.90	08/31/2015	Asphalt

Year Ended - 2015

Start: 01/01/2015 End: 12/31/2015

504.1528	11,098.82	08/31/2015	Asphalt
504.1530	6,889.59	08/31/2015	Asphalt
504.1536	79,134.67	08/31/2015	Asphalt
504.1538	149,876.00	08/31/2015	Asphalt
504.1540	32,801.01	08/31/2015	Asphalt
504.1542	48,210.96	08/31/2015	Asphalt
504.1544	14,237.08	08/31/2015	Asphalt
504.1546	61,121.94	08/31/2015	Asphalt
504.1532	54,049.66	08/14/2015	Asphalt