

AT LAST, NUMBERS THAT MEAN SOMETHING!

Here's where money came from and where it went

Financial Statement

This report is a milestone in the history of the Oakland County Road Commission.

It is the first independently audited financial report ever to appear in this county. It is also the first financial presentation in our annual reports that will be understandable and useful to laymen.

In past years, the road commission has published a report, required by law, that is of use only to the Michigan Department of State Highways and Transportation.

In 1973, the Oakland Board of Road Commissioners ordained otherwise. They ordered the accounting system broadened to produce data required by law, but also information that would have meaning to others interested in road commission financial stewardship—road users and taxpayers. Further, the road board voluntarily ordered an annual independent financial audit, although that is not required by law.

Road commission financial records were independently audited for 1973, but the difficulty of translating data from the accounting system adapted to the state's requirements delayed completion of the 1973 audit beyond the deadline for the road commission's 1973 annual report.

Consequently, the report published last year was the virtually meaningless one required for state purposes. When the audited report became available, it was released to the news media of the county and circulated to all of the public libraries in the county.

Beginning with this "first," the audited financial report, in useful form, will be an important part of future road commission annual reports.

No summary is necessary. You can easily see income sources and the purposes for which road commission funds were spent in 1974.

Auditor's Report

To the Board of Road Commissioners
Oakland County Road Commission
Oakland County, Michigan

We have examined the financial statements of Oakland County Road Commission for the year ended December 31, 1974. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

The financial statements of the Oakland County Road Commission Retirement System have not been included in the accompanying financial report. The retirement system financial statements were examined by another independent auditor who issued a report dated February 7, 1975.

As disclosed in Note 3 of the notes to financial statements, the accompanying statement of revenues and expenditures of the Road Fund does not include a

comparison with a formal budget, as required by generally accepted accounting principles.

In our opinion, except for the omission of the information described in the preceding paragraph, the aforementioned financial statements present fairly the financial position of the Road Fund, the general fixed assets group of accounts, and the special revenue long-term debt group of accounts of Oakland County Road Commission at December 31, 1974, and the results of the Road Fund operations for the year then ended, in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year, except for the combination of the Special Assessment Fund with the Road Fund as described in Note 2 of the notes to financial statements.

Flaste & Moran
Certified Public Accountants
Southfield, Michigan
May 9, 1975

**OAKLAND COUNTY ROAD COMMISSION ROAD FUND
BALANCE SHEET
DECEMBER 31, 1974**

ASSETS			
Cash		\$	383,550
Investments:			
Certificates of deposit - At cost	\$2,915,000		
Treasury bills - At cost - Approximate market	850,000	3,765,000	
Accounts receivable:			
Special assessments (Note 4)	3,245,343		
County road agreements	705,866		
State Highway Department	419,651		
Other	80,067	4,450,927	
Deposits - Federal construction projects		692,789	
Inventory - At average cost		1,161,366	
Work orders in process		38,255	
Prepaid expenses		18,535	
Total assets		\$10,510,422	
LIABILITIES, DEFERRED REVENUE AND FUND BALANCE			
LIABILITIES			
Accounts payable		\$	1,376,026
Advances and deposits:			
Escrow deposits	\$1,297,247		
Township matching funds	108,479		
Inspection projects	43,670		
Other	17,650	1,467,046	
Accrued payroll and other		270,838	
Total liabilities		3,113,910	
COMMITMENTS AND CONTINGENCIES (Notes 5, 6 and 7)			
DEFERRED REVENUE - Special assessment districts (Note 4)			90,715
FUND BALANCE			<u>7,305,797</u>
Total liabilities, deferred revenue and fund balance		\$10,510,422	

See Notes to Financial Statements.

**STATEMENT OF REVENUES AND EXPENDITURES
Year Ended December 31, 1974**

REVENUES	
Motor vehicle highway funds	\$15,667,901
State trunkline maintenance	2,239,505
Federal aid revenue	3,844,446
Contributions for construction - Townships	1,417,579
County appropriation	1,151,661
Contributions for maintenance and construction - Cities, villages and other	1,097,328
Contributions on work orders	966,567
Special assessment districts	1,190,558
Interest earned	919,713
Miscellaneous	377,762
Proceeds from issuance of special revenue notes	2,000,000
Total revenues	30,873,020
EXPENDITURES	
Primary road construction	10,153,560
Local road construction	4,473,497
Primary road maintenance	4,594,874
Local road maintenance	1,998,701
State trunkline maintenance	2,064,185
Special assessment construction	1,548,720
Work order expenditures for maintenance and construction	1,396,689
Primary and local structure construction	118,536
Inspection charges	64,964
Administrative expense	963,504
Capital outlay	1,361,945
Long-term debt payments	1,350,000
Interest expense	532,316
Equipment charges (Note 8)	(777,864)
Total expenditures	29,843,627
EXCESS OF REVENUES OVER EXPENDITURES	\$ 1,029,393

See Notes to Financial Statements.

STATEMENT OF CHANGES IN FUND BALANCE

Year Ended December 31, 1974	
FUND BALANCE - January 1, 1974 (Note 2)	\$ 6,276,404
EXCESS OF REVENUES OVER EXPENDITURES	1,029,393
FUND BALANCE - December 31, 1974	\$ 7,305,797

See Notes to Financial Statements.