

**CALENDAR YEAR**

**2020**

**ANNUAL FINANCIAL REPORT**

**HILLSDALE COUNTY**

**BOARD OF COUNTY ROAD**

**COMMISSIONERS**

Robert R. Godfrey, Chairman

Michael A. Parney, Vice-Chairman

William L. Watkins, Member

H. John Sanders, Manager

Marilyn J. Kilpatrick, Clerk



# Hillsdale County Road Commission

1919 HUDSON ROAD (M-99)

HILLSDALE, MICHIGAN 49242

Robert R. Godfrey, Chairman  
Pittsford

(517) 437-4458

H. John Sanders  
Manager

Michael A. Parney, Vice Chairman  
Hillsdale

FAX (517) 437-0048

Marilyn Kilpatrick  
Clerk

Gary A. Leininger, Member  
Pittsford

[hillsdale@hillsdalecrc.org](mailto:hillsdale@hillsdalecrc.org)

June 17, 2021

To: The Honorable Board of Commissioners  
of The County of Hillsdale, Michigan

From: Hillsdale County Road Commission

Re: 2020 Annual Financial Report

The Board of County Road Commissioners of the County of Hillsdale, in compliance with Act 51 of 1951 as amended, does hereby submit the annual financial report of the road commission for the fiscal year ending December 31, 2020.

The county road commission received \$10,478,668 in revenues for our 2020 operations. Our expenditures for the year totaled \$9,407,126. The result was an operating surplus for the fiscal year of \$1,071,542.

Our ending fund balance increased to \$5,643,900. It is important to note that the fund balance includes inventories of parts and road materials that are not available to us in cash. A more realistic look at our financial status is our year-end cash and investment balance of \$3,491,556 which equals 37% of our 2020 expenses.

On the revenue side, our receipts from the Michigan Transportation Fund was \$7,299,167. This is a decrease of \$12,820.

Revenues included \$1,042,317 in federal grant funds for a variety of road projects. Township contributions were \$799,716 for the year. This was an increase from last year but is still a major source of road funding. This does not include township funds paid directly to contractors for gravel road resurfacing. We would like to recognize Cambria Township for being our highest contributor in 2020. All of the 18 townships made contributions last year to help us maintain and improve the local road system.

Looking at the expense side of the budget, it was a down year for primary road construction. \$917,596 was spent on resurfacing 2 miles of Camden Road. Local road construction consisted of replacement of several culverts throughout the county.

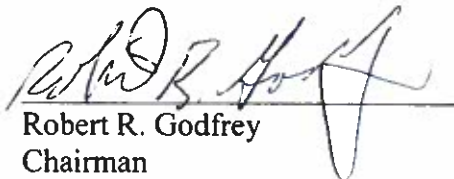
Most of our expenses usually occur in road & bridge maintenance, and those costs were \$7.2 million in 2020. Our preventative maintenance program of chip and fog seal was 60 miles, with a cost of \$1,009,815. Gravel road maintenance cost over \$1,182,579. Snow removal costs on county roads in 2020 were \$831,515 and was 22% above our previous 5 year average of \$651,186 for county roads.

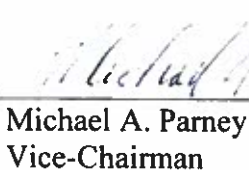
Local road expenses continue to be a big concern to us as 52% of our expenses were for local roads, but only 48% of our MTF revenues were earmarked for local roads. Overall, our expenses for local roads exceeded revenues by \$787,648 requiring a transfer from the primary road fund to balance the deficit. Our primary roads suffer from a lack of asphalt resurfacing due to this continual transfer. See page 6 of this report.

The future for our county road system continues to be challenging and increasing costs make it extremely difficult to make improvements to the system. However, with the new road funding in place we will continue to work towards making improvements. We pledge to do our best to provide a reasonably safe and convenient system of county roads and bridges with responsive and dependable customer service with the funds available.

Respectfully submitted,

Board of Hillsdale County Road Commissioners

  
Robert R. Godfrey  
Chairman

  
Michael A. Parney  
Vice-Chairman

  
Gary A. Leininger  
Member

Year Ended - 2020

Start: 01/01/2020 End: 12/31/2020

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

1. Cash	\$694.24
2. Investments	3,490,861.85
3. Accounts Receivable :	
a. Michigan Transportation Fund	1,210,618.08
b. State Trunkline Maintenance	56,019.57
c. State Transportation Department - Other	0.00
d. Due on County Road Agreement	26,525.22
e. Due on Special Assessment	0.00
f. Sundry Accounts Receivable	98,502.66

**Inventories/Pre-Paid Insurance/Other**

4. Deferred Expense State Aid	0.00
5. Road Materials	496,493.86
6. Equipment Materials and Parts	296,342.62
7. Prepaid Insurance	0.00
8. Deferred Expense - Federal Aid	0.00
9. Other	400,000.00

**10. TOTAL ASSETS****\$6,076,058.10**

Year Ended - 2020

Start: 01/01/2020 End: 12/31/2020

**Liabilities and Fund Balances****Liabilities**

11. Accounts Payable	\$111,831.76
12. Notes Payable (Short Term)	0.00
13. Accrued Liability	81,561.38
14. Advances	224,362.00
15. Deferred Revenue - Special Assessment District	0.00
16. Deferred Revenue - EDF Forest Rd.(E)	0.00
17. Deferred Revenue	0.00
18. Other	14,403.93

**Fund Balances**

19. Primary Road Fund	4,879,172.74
20. Local Road Fund	0.00
21. County Road Commission Fund	764,726.29
<b>22. Total Fund Balances</b>	<b>5,643,899.03</b>

**23. TOTAL LIABILITIES AND FUND BALANCES****\$6,076,058.10**

Year Ended - 2020

Start: 01/01/2020 End: 12/31/2020

**CAPITAL ASSETS ACCOUNT GROUP**

<u>Assets</u>	(A)	(B)
24. Land		\$64,632.19
25. Land Improvements	\$5,570,142.01	
25 a.Less: Accumulated Depreciation	0.00	5,570,142.01
26. Depletable Assets	54,700.00	
26 a.Less: Accumulated Depreciation	(52,257.39)	2,442.61
27. Buildings	2,273,669.78	
27 a.Less: Accumulated Depreciation	(1,423,289.07)	850,380.71
28. Equipment - Road	10,075,483.95	
28 a.Less: Accumulated Depreciation	(7,751,364.31)	2,324,119.64
29. Equipment - Shop	145,833.13	
29 a.Less: Accumulated Depreciation	(131,685.97)	14,147.16
30. Equipment - Engineers	50,025.74	
30 a.Less: Accumulated Depreciation	(39,634.87)	10,390.87
31. Equipment - Yard and Storage	457,307.38	
31 a.Less: Accumulated Depreciation	(417,383.24)	39,924.14
32. Equipment and Furniture - Office	106,476.61	
32 a.Less: Accumulated Depreciation	(89,579.91)	16,896.70
33. Infrastructure	63,323,455.74	
33 a.Less: Accumulated Depreciation	(43,951,752.20)	19,371,703.54
34. Vehicles	0.00	
34 a.Less: Accumulated Depreciation	0.00	0.00
35. Construction Work in Progress		0.00
	<b>36. Total Assets</b>	<b><u>\$28,264,779.57</u></b>
 <u>Equities</u>		
37. Plant and Equipment Equity		
	37 a.Primary	0.00
	37 b.Local	0.00
	37 c.Co. Road Comm.	3,322,934.02
	37 d.Infrastructure	24,941,845.55
	<b>38. Total Equities</b>	<b><u>\$28,264,779.57</u></b>
 <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		408,789.75
42. Installment/Lease Purchase Payable		0.00
43. Other		0.00
	<b>44. Total Liabilities</b>	<b><u>\$408,789.75</u></b>
 <u>Fiduciary Fund</u>		
45. Deferred Compensation (Pension) Plan		<b><u>\$2,136,102.38</u></b>

Year Ended - 2020

Start: 01/01/2020 End: 12/31/2020

## STATEMENT OF REVENUES

	Primary Road Fund (P)	Local Road Fund (L)	Co. Road Comm. Fund (C)	Total (T)
<b>Taxes</b>				
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
<b>Licenses and Permits</b>				
49. Specify	0.00	0.00	142,415.00	142,415.00
<b>Federal Sources</b>				
50. Surface Tran. Program (STP)	642,316.85	0.00	0.00	642,316.85
51. C Funds - Federal	0.00	0.00	0.00	0.00
52. D Funds - Federal	0.00	0.00	0.00	0.00
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	400,000.00	0.00	400,000.00
56. Total Federal Sources	642,316.85	400,000.00	0.00	1,042,316.85
<b>STATE SOURCES</b>				
<b>Michigan Transportation Fund</b>				
57. Engineering	4,047.61	2,739.89		6,787.50
58. Snow Removal	2,229.56	1,486.36		3,715.92
59. Urban Road	129,899.22	50,879.56		180,778.78
60. Allocation	4,238,665.80	2,869,218.57		7,107,884.37
61. Total MTF	4,374,842.19	2,924,324.38		7,299,166.57
<b>Other</b>				
62. Local Bridge	0.00	0.00		0.00
63. Other	0.00	0.00	0.00	0.00
64. Total Other	0.00	0.00	0.00	0.00
<b>Economic Development Fund</b>				
65. Target Industries (A)	0.00	0.00		0.00
66. Urban Congestion (C)	0.00	0.00		0.00
67. Rural Primary (D)	137,639.33	0.00		137,639.33
68. Forest Road (E)	0.00	0.00		0.00
69. Urban Area (F)	0.00	0.00		0.00
70. Other	0.00	0.00		0.00
71. Total EDF	137,639.33	0.00		137,639.33
<b>72. Total State Sources</b>	<b>\$4,512,481.52</b>	<b>\$2,924,324.38</b>	<b>\$0.00</b>	<b>\$7,436,805.90</b>

Year Ended - 2020

Start: 01/01/2020 End: 12/31/2020

## STATEMENT OF REVENUES

	Primary Road Fund (P)	Local Road Fund (L)	Co. Road Comm. Fund (C)	Total (T)
<b>Contributions From Local Units</b>				
73. City and Village	\$0.00	\$0.00	\$40,606.97	\$40,606.97
74. Township Contr.	0.00	799,716.09	0.00	799,716.09
75. Other	0.00	0.00	0.00	0.00
76. Total Contributions	0.00	799,716.09	40,606.97	840,323.06
<b>Charges for Service</b>				
77. Trunkline Maintenance	0.00		863,086.78	863,086.78
78. Trunkline Non-maintenance	0.00		0.00	0.00
79. Salvage Sales	0.00	0.00	701.00	701.00
80. Other	0.00	0.00	5,600.00	5,600.00
81. Total Charges	0.00	0.00	869,387.78	869,387.78
<b>Interest and Rents</b>				
82. Interest Earned	14,982.51	0.00	1,547.01	16,529.52
83. Property Rentals	0.00	0.00	3,600.00	3,600.00
84. Total Interest/Rents	14,982.51	0.00	5,147.01	20,129.52
<b>Other</b>				
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	50,575.00	50,575.00
89. Contributions from Private Sources	0.00	0.00	0.00	0.00
90. Other	0.00	0.00	76,715.30	76,715.30
91. Total Other	0.00	0.00	127,290.30	127,290.30
<b>Other Financing Sources</b>				
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
<b>97. TOTAL REVENUE AND OTHER FINANCING SOURCES</b>	<b>\$5,169,780.88</b>	<b>\$4,124,040.47</b>	<b>\$1,184,847.06</b>	<b>\$10,478,668.41</b>



Year Ended - 2020

Start: 01/01/2020 End: 12/31/2020

## STATEMENT OF EXPENDITURES

	Primary Road Fund (P)	Local Road Fund (L)	Co. Road Comm. Fund (C)	Total (T)
<b>Construction/Capacity Improvement</b>				
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
<b>Preservation - Structural Improvements</b>				
104. Roads	1,683,700.13	336,640.84		2,020,340.97
105. Structures	8,213.03	82,465.19		90,678.22
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.	1,691,913.16	419,106.03		2,111,019.19
<b>Maintenance</b>				
111. Roads	1,048,110.07	3,436,412.42		4,484,522.49
112. Structures	3,870.00	6,197.54		10,067.54
113. Roadside Parks	0.00	0.00		0.00
114. Winter Maintenance	418,008.21	413,507.00		831,515.21
115. Traffic Control	145,517.35	111,334.58		256,851.93
116. Total Maintenance	1,615,505.63	3,967,451.54		5,582,957.17
117. Total Construction, Preservation And Maintenance	3,307,418.79	4,386,557.57		7,693,976.36
<b>Other</b>				
118. Trunkline Maintenance	0.00		821,761.78	821,761.78
119. Trunkline Non-maintenance	0.00		0.00	0.00
120. Administrative Expense	289,672.12	384,185.83		673,857.95
121. Equipment - Net	50,298.58	140,944.11	23,007.49	214,250.18
122. Capital Outlay - Net	0.00	0.00	(43,431.87)	(43,431.87)
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	46,712.04	46,712.04
127. Total Other	339,970.70	525,129.94	848,049.44	1,713,150.08
<b>128. Total Expenditures</b>	<b>\$3,647,389.49</b>	<b>\$4,911,687.51</b>	<b>\$848,049.44</b>	<b>\$9,407,126.44</b>