

Resource Recovery and Recycling Authority of Southwest Oakland County

**Financial Report
with Supplemental Information
June 30, 2017**

Resource Recovery and Recycling Authority of Southwest Oakland County

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Independent Auditor's Report

To the Board of Directors
Resource Recovery and Recycling Authority
of Southwest Oakland County

Report on the Financial Statements

We have audited the accompanying financial statements of the General Administrative Fund and the governmental activities (modified accrual and full accrual columns, respectively) of the Resource Recovery and Recycling Authority of Southwest Oakland County (the "Authority") as of and for the year ended June 30, 2017 and the related notes to the financial statements, which collectively comprise the Resource Recovery and Recycling Authority of Southwest Oakland County's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

To the Board of Directors
Resource Recovery and Recycling Authority
of Southwest Oakland County

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the General Administrative Fund and the governmental activities of the Resource Recovery and Recycling Authority of Southwest Oakland County as of June 30, 2017 and the respective changes in its financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplemental Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the budgetary comparison schedule, as identified in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, which considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplemental information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Plante & Moran, PLLC

August 1, 2017

Resource Recovery and Recycling Authority of Southwest Oakland County

Management's Discussion and Analysis

Our discussion and analysis of Resource Recovery and Recycling Authority of Southwest Oakland County's (RRRASOC or the "Authority") financial performance provides an overview of the Authority's financial activities for the fiscal year ended June 30, 2017. Please read it in conjunction with the Authority's financial statements.

Using this Annual Report

This annual report presents the financial position and the results of operations for each of the Authority's funds, as well as for the Authority as a whole. The individual funds are presented on the modified accrual basis of accounting, which is a short-term view that tells us how resources were spent during the year, as well as how much is available for future spending. This information is then aggregated and adjusted to the full accrual basis to present a longer-term view of the Authority as a whole. This longer-term view uses the accrual basis of accounting so that it can measure the cost of providing services during the current year and whether the member communities have funded the full cost of providing waste management services.

The Authority as a Whole

The following table shows, in a condensed format, the net assets on a full accrual basis compared to the prior years:

	2015	2016	2017	Current Year Change	
				Amount	Percent
Assets					
Current assets	\$ 2,388,480	\$ 321,417	\$ 428,969	\$ 107,552	33.5
Capital assets	5,909,563	8,439,184	8,224,373	(214,811)	(2.5)
Total assets	8,298,043	8,760,601	8,653,342	(107,259)	(1.2)
Liabilities					
Current liabilities	560,420	32,775	33,550	775	2.4
Noncurrent liabilities	22,736	39,289	42,595	3,306	8.4
Total liabilities	583,156	72,064	76,145	4,081	5.7
Net Position					
Investment in capital assets	5,909,563	8,439,184	8,224,373	(214,811)	(2.5)
Unrestricted	1,805,324	249,353	352,824	103,471	41.5
Total net position	<u>\$ 7,714,887</u>	<u>\$ 8,688,537</u>	<u>\$ 8,577,197</u>	<u>\$ (111,340)</u>	(1.3)

The Authority's combined net position decreased approximately 1.3 percent from a year ago, from \$8,688,537 to \$8,577,197. Unrestricted net position, the part of net position that can be used to finance day-to-day operations, increased by \$103,471 for the governmental activities.

Resource Recovery and Recycling Authority of Southwest Oakland County

Management's Discussion and Analysis (Continued)

The following table shows the changes in net position during the current year as compared to the prior two years:

	Year Ended June 30			Current Year Change	
	2015	2016	2017	Amount	Percent
Revenue					
Contributions from members	\$ 291,795	\$ 305,958	\$ 330,794	\$ 24,836	8.1
MRF revenue sharing	138,492	37,562	212,343	174,781	465.3
Host fees	-	50,000	310,832	260,832	-
Interest income	7,647	3,650	1,381	(2,269)	(62.2)
Refunds and other	19,966	162,778	5,390	(157,388)	(96.7)
Insurance recovery	5,598,659	1,092,573	-	(1,092,573)	(100.0)
Total revenue	6,056,559	1,652,521	860,740	(791,781)	(47.9)
Expenses					
Salaries and benefits	241,740	264,420	268,191	3,771	1.4
Professional services	91,249	68,450	42,145	(26,305)	(38.4)
Other operating expenses	66,479	104,270	103,674	(596)	(0.6)
Drop-off expense	99,445	96,550	147,533	50,983	52.8
Revenue sharing distributed to communities	266,032	10,189	141,073	130,884	1,284.6
Capital outlay	-	287	-	(287)	-
Depreciation	1,738	134,705	269,464	134,759	100.0
Loss on disposal of assets	7,191	-	-	-	-
Total expenses	773,874	678,871	972,080	293,209	43.2
Change in Net Position	\$ 5,282,685	\$ 973,650	\$ (111,340)	\$ (1,084,990)	(111.4)

The MRF revenue sharing increased by \$174,781 as a result of an increase in the value of various commodities and an increase in overall recycling volume. Those values tend to fluctuate significantly as a result of market forces and in general cannot be depended upon for future revenue levels. Revenue from host fees increased by \$260,832 due to a full year of MRF operations after the resumption of operations in April 2016. Overall expenses increased by \$293,209 primarily due to a full year of MRF operations with the associated revenue distribution to the communities as well as the expected equipment depreciation.

Resource Recovery and Recycling Authority of Southwest Oakland County

Management's Discussion and Analysis (Continued)

The Authority's Financial Statements

The financial statements are presented on both a modified accrual and full accrual basis of accounting. The Authority creates funds to help manage money for specific purposes as well as to show accountability for certain activities. For budgetary and financial statement reporting purposes, the Authority has a single modified accrual fund - the General Administrative Fund.

Budgetary Highlights

Overall, the Authority's expenditures remained below budgeted amounts. The Authority's fund balance is being closely monitored as it fell due to reduced cash flow during the period following the fire at the MRF. The fund balance has risen to healthier levels as MRF operations and associated revenue returned to normal.

Capital Asset Administration

As described in Note 5, at the end of 2017, the Authority had \$8,224,373 invested in capital assets (net of depreciation), including land, building, and office furnishings and fixtures. Of this amount, \$1,550,000 relates to land.

Economic Factors and Next Year's Budgets and Rates

Commodity prices maintained consistency with historic norms during most of the fiscal year and returned revenue sharing values to positive during the period. Commodity prices remained volatile, however, with global and domestic uncertainty having a continued presence. The overseas market in China was dampened in the last quarter of the fiscal year due to import controls deployed by the Chinese government.

Contacting the Authority's Management

This financial report is intended to provide our member communities with a general overview of the Authority's finances and to show the Authority's accountability for the money it receives from the member communities. If you have questions about this report or need additional information, we welcome you to contact the Authority's office.

Resource Recovery and Recycling Authority of Southwest Oakland County

Statement of Net Position/Governmental Fund Balance Sheet June 30, 2017

	Balance Sheet - Modified Accrual	Accrual Adjustments (Note 2)	Statement of Net Position - Full Accrual
Assets			
Cash and cash equivalents (Note 4)	\$ 358,569	\$ -	\$ 358,569
Accounts receivable	62,185	-	62,185
Prepaid expenses	8,215	-	8,215
Capital assets:			
Nondepreciable capital assets (Note 5)	-	1,550,000	1,550,000
Depreciable capital assets - Net (Note 5)	-	6,674,373	6,674,373
Total assets	<u><u>\$ 428,969</u></u>	8,224,373	8,653,342
Liabilities			
Accounts payable	\$ 22,571	-	22,571
Compensated absences:			
Due within one year	-	10,979	10,979
Due in more than one year	-	42,595	42,595
Total liabilities	22,571	53,574	76,145
Equity			
Fund balance:			
Nonspendable	8,215	(8,215)	-
Unassigned	398,183	(398,183)	-
Total fund balance	406,398	(406,398)	-
Total liabilities and fund balance	<u><u>\$ 428,969</u></u>		
Net position:			
Net investment in capital assets		8,224,373	8,224,373
Unrestricted		352,824	352,824
Total net position		<u><u>\$ 8,577,197</u></u>	<u><u>\$ 8,577,197</u></u>

Resource Recovery and Recycling Authority of Southwest Oakland County

Statement of Activities/Governmental Fund Revenue, Expenditures, and Changes in Fund Balance Year Ended June 30, 2017

	Modified Accrual	Accrual Adjustments (Note 2)	Full Accrual
Revenue			
Contributions from members	\$ 330,794	\$ -	\$ 330,794
MRF revenue sharing	212,343	-	212,343
Host fees	310,832	-	310,832
Interest income	1,381	-	1,381
Refunds and other	5,390	-	5,390
	<u>860,740</u>	<u>-</u>	<u>860,740</u>
Expenditures/Expenses			
Salaries and benefits	262,066	6,125	268,191
Professional services	42,145	-	42,145
Supplies	2,163	-	2,163
Printing and publishing	18,112	-	18,112
Postage and mailing	16,765	-	16,765
Utilities	5,532	-	5,532
Training and travel	2,350	-	2,350
Other operating expenses	58,752	-	58,752
Drop-off expenses	147,533	-	147,533
Revenue sharing distributed to communities	141,073	-	141,073
Capital outlay	54,653	(54,653)	-
Depreciation	-	269,464	269,464
	<u>751,144</u>	<u>220,936</u>	<u>972,080</u>
Net Change in Fund Balance/Net Position	109,596	(220,936)	(111,340)
Fund Balance/Net Position - July 1, 2016	<u>296,802</u>	<u>8,391,735</u>	<u>8,688,537</u>
Fund Balance/Net Position - June 30, 2017	<u>\$ 406,398</u>	<u>\$ 8,170,799</u>	<u>\$ 8,577,197</u>

Resource Recovery and Recycling Authority of Southwest Oakland County

**Notes to Financial Statements
June 30, 2017**

Note I - Summary of Significant Accounting Policies

The Resource Recovery and Recycling Authority of Southwest Oakland County (the "Authority") is a municipal authority and body corporate, incorporated by the cities of Farmington, Farmington Hills, Novi, South Lyon, Southfield, Walled Lake, and Wixom; the Village of Milford; and the Charter Township of Milford, and was created pursuant to Act 179, Michigan Public Acts of 1947, as amended. Currently, the Authority is engaged in assisting the communities in the coordination of their solid waste management activities. Its ultimate purpose is the collection and disposal of rubbish and acquisition and operation of a waste management system.

The accounting policies of the Resource Recovery and Recycling Authority of Southwest Oakland County conform to accounting principles generally accepted in the United States of America (GAAP) as applicable to governmental units. The following is a summary of the significant accounting policies used by the Resource Recovery and Recycling Authority of Southwest Oakland County:

Modified Accrual and Full Accrual Data

The Authority consists of a single fund, which is presented in these financial statements on both the modified accrual basis and full accrual basis. The modified accrual column represents the current financial resources measurement focus and the modified accrual basis of accounting. Revenue is recognized as soon as it is both measurable and available. Revenue is considered to be available if it is collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Authority considers revenue to be available if it is collected within 45 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, expenditures relating to compensated absences, and claims and judgments are recorded only when payment is due.

The full accrual column represents the total economic resources measurement focus and the full accrual basis of accounting. Revenue is recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Assets, Liabilities, and Net Position or Equity

Bank Deposits and Investments - Cash and cash equivalents include cash on hand, demand deposits, and short-term investments with a maturity of three months or less when acquired. Investments are stated at fair value.

Resource Recovery and Recycling Authority of Southwest Oakland County

Notes to Financial Statements June 30, 2017

Note I - Summary of Significant Accounting Policies (Continued)

Prepaid Items - Certain payments to vendors reflect costs applicable to future fiscal years and are recorded as prepaid items in both government-wide and fund financial statements.

Capital Assets - Capital assets, which include land and building for the MRF site, machinery and equipment, and office furniture and fixtures, are reported in the full accrual column. Capital assets are defined by the Authority as assets with an initial individual cost of more than \$500 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated acquisition cost at the date of donation.

Capital assets are depreciated using the straight-line method over the following useful lives:

Land (MRF site)	Not depreciated
Building	50 years
Machinery and equipment	5-15 years
Office furniture and fixtures	3-10 years

Compensated Absences (Vacation and Sick Leave) - It is the Authority's policy to permit employees to accumulate earned but unused sick and vacation pay benefits. A portion of accumulated sick leave is payable upon death or retirement and is accrued. All vacation pay and the portion of sick leave eligible for payout upon death or retirement are accrued when incurred in the full accrual column. A liability for these amounts is reported in the governmental funds only for employee terminations as of year end.

Deferred Outflows/Inflows of Resources - In addition to assets, the statement of net position and/or balance sheet will sometimes report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then. The Authority has no items that qualify for reporting in this category.

In addition to liabilities, the statement of net position and/or balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. The Authority has no items that qualify for reporting in this category.

Resource Recovery and Recycling Authority of Southwest Oakland County

Notes to Financial Statements June 30, 2017

Note I - Summary of Significant Accounting Policies (Continued)

Fund Equity - In the fund financial statements, governmental funds report the following components of fund balance:

- **Nonspendable:** Amounts that are not in spendable form or are legally or contractually required to be maintained intact
- **Restricted:** Amounts that are legally restricted by outside parties, constitutional provisions, or enabling legislation for use for a specific purpose
- **Committed:** Amounts that have been formally set aside by the board for use for specific purposes. Commitments are made and can be rescinded only via resolution of the board of directors.
- **Assigned:** Intent to spend resources on specific purposes expressed by the governing body
- **Unassigned:** Amounts that do not fall into any other category above. This is the residual classification for amounts in the General Administrative Fund and represents fund balance that has not been restricted, committed, or assigned to specific purposes in the General Administrative Fund.

Use of Estimates - The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the period. Actual results could differ from those estimates.

Resource Recovery and Recycling Authority of Southwest Oakland County

Notes to Financial Statements June 30, 2017

Note 2 - Reconciliation of Individual Fund Columns of the Statement of Net Position/Statement of Activities

Net position reported in the statement of net position column is different than the fund balance reported in the individual fund column because of the different measurement focus and basis of accounting, as discussed in Note 1. Below is a reconciliation of the differences:

Fund Balance - Modified Accrual Basis \$ 406,398

Amounts reported for governmental activities in the statement of net position are different because:

Capital assets used in governmental activities are not financial resources and are not reported in the funds 8,224,373

Employee compensated absences are payable over a long period of years and do not represent a claim on current financial resources; therefore, they are not reported as fund liabilities (53,574)

Net Position - Full Accrual Basis \$ 8,577,197

The change in net position reported in the statement of activities column is different than the change in fund balance reported in the individual fund column because of the different measurement focus and basis of accounting, as discussed in Note 1. Below is a reconciliation of the differences:

Net Change in Fund Balances - Modified Accrual Basis \$ 109,596

Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital outlays as expenditures; however, in the statement of activities, these costs are allocated over their estimated useful lives as depreciation:
Capital outlay 54,653
Depreciation expense (269,464)

Increase in accumulated employee sick and vacation pay and other similar expenses reported in the statement of activities do not require the use of current resources and, therefore, are not reported in the fund statements until they come due for payment (6,125)

Change in Net Position of Governmental Activities \$ (111,340)

Resource Recovery and Recycling Authority of Southwest Oakland County

Notes to Financial Statements June 30, 2017

Note 3 - Stewardship, Compliance, and Accountability

Budgetary Information - Annual budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America. All annual appropriations lapse at fiscal year end. The budget is prepared by the general manager and approved by the board of directors. The budget document presents information by fund and line items. The legal level of budgetary control adopted by the governing body is the line item level (i.e., the level at which expenditures may not legally exceed appropriations). Budget appropriations are considered to be spent once the goods are delivered or the services rendered.

Note 4 - Deposits and Investments

Michigan Compiled Laws Section 129.91 (Public Act 20 of 1943, as amended) authorizes local governmental units to make deposits and invest in the accounts of federally insured banks, credit unions, and savings and loan associations that have offices in Michigan. The law also allows investments outside the state of Michigan when fully insured. The local unit is allowed to invest in bonds, securities, and other direct obligations of the United States or any agency or instrumentality of the United States; repurchase agreements; bankers' acceptances of United States banks; commercial paper rated within the two highest classifications, which matures not more than 270 days after the date of purchase; obligations of the State of Michigan or its political subdivisions, which are rated as investment grade; and mutual funds composed of investment vehicles that are legal for direct investment by local units of government in Michigan.

The Authority has designated three banks for the deposit of its funds. The investment policy adopted by the board in accordance with Public Act 196 of 1997 has authorized investment in bonds and securities of the United States government and bank accounts and CDs, but not the remainder of state statutory authority as listed above. The Authority's deposits and investment policies are in accordance with statutory authority.

The Authority's cash and investments are subject to three types of risk, which are examined in more detail below:

Custodial Credit Risk of Bank Deposits

Custodial credit risk is the risk that in the event of a bank failure, the Authority's deposits may not be returned to it. The Authority does not have a deposit policy for custodial credit risk. At year end, the Authority had no bank deposits that were uninsured and uncollateralized. The Authority evaluates each financial institution with which it deposits funds and assesses the level of risk of each institution; only those institutions with an acceptable estimated risk level are used as depositories.

Resource Recovery and Recycling Authority of Southwest Oakland County

**Notes to Financial Statements
June 30, 2017**

Note 4 - Deposits and Investments (Continued)

Interest Rate Risk

Interest rate risk is the risk that the value of investments will decrease as a result of a rise in interest rates. In accordance with its investment policy, the Authority manages its exposure to declines in fair value by limiting the weighted average maturity of its investment portfolio to a range of 90 days to three years. The Authority's investment policy does not restrict investment maturities other than commercial paper, which can only be purchased with a 270-day maturity. As of year end, the Authority held \$79,812 invested in an investment pool with a weighted average maturity of 484 days.

Credit Risk

State law limits investments in commercial paper to the top two ratings issued by nationally recognized statistical rating organizations. The Authority has no investment policy that would further limit its investment choices. As of year end, the Authority held \$79,812 in investment pools that were not rated.

Concentration of Credit Risk

The Authority places no limit on the amount it may invest in any one issuer. Approximately 20 percent of the Authority's investments are in the Oakland County Local Government Investment Pool (the "LGIP"). The LGIP is not registered with the SEC and does not issue a separate report. The fair value of the position in the pool is not the same as the value of the pool shares, since the pool does not meet the requirements under GASB Statement No. 79 to report its value for financial reporting purposes at amortized cost.

Fair Value Measurements

The Authority categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. Investments that are measured at fair value using the net asset value per share (or its equivalent) as a practical expedient are not classified in the fair value hierarchy below.

In instances whereby inputs used to measure fair value fall into different levels in the above fair value hierarchy, fair value measurements in their entirety are categorized based on the lowest level input that is significant to the valuation. The Authority's assessment of the significance of particular inputs to these fair value measurements requires judgment and considers factors specific to each asset or liability.

Resource Recovery and Recycling Authority of Southwest Oakland County

Notes to Financial Statements June 30, 2017

Note 4 - Deposits and Investments (Continued)

Investments in Entities that Calculate Net Asset Value per Share

The Authority holds shares or interests in an investment pool where the fair value of the investments is measured on a recurring basis using net asset value per share (or its equivalent) of the investment companies as a practical expedient.

At the year ended June 30, 2017, the fair value, unfunded commitments, and redemption rules of those investments are as follows:

	Fair Value	Unfunded Commitments	Redemption Frequency, if Eligible	Redemption Notice Period
Oakland County Government Investment Pool	\$ 79,812	\$ -	No restrictions	None

The Oakland County LGIP invests assets in a manner which will seek the highest investment return consistent with the preservation of principal and meet the daily liquidity needs of participants.

Note 5 - Capital Assets

Capital asset activity was as follows:

Governmental Activities	Balance July 1, 2016	Additions	Disposals and Adjustments	Balance June 30, 2017
Capital assets not being depreciated - Land (MRF site)	\$ 1,550,000	\$ -	\$ -	\$ 1,550,000
Capital assets being depreciated:				
Building	4,345,863	-	-	4,345,863
Machinery and equipment	2,671,616	52,153	-	2,723,769
Office furnishings and fixtures	11,671	2,500	-	14,171
Subtotal	7,029,150	54,653	-	7,083,803
Accumulated depreciation:				
Building	86,917	86,917	-	173,834
Machinery and equipment	48,864	179,308	-	228,172
Office furnishings and fixtures	4,185	3,239	-	7,424
Subtotal	139,966	269,464	-	409,430
Net capital assets being depreciated	6,889,184	(214,811)	-	6,674,373
Net capital assets	\$ 8,439,184	\$ (214,811)	\$ -	\$ 8,224,373

Resource Recovery and Recycling Authority of Southwest Oakland County

**Notes to Financial Statements
June 30, 2017**

Note 5 - Capital Assets (Continued)

Upon termination of the MRF Operations Agreement with ReCommunity Recycling, ownership of any fixed equipment installed by ReCommunity Recycling will be transferred to the Authority. The Authority will record the facility at its fair value, if any, at the time of transfer (the original cost of the ReCommunity Recycling-owned equipment installed during fiscal year 2015-2016 was approximately \$6.5 million).

Note 6 - Risk Management

The Authority is exposed to various risks of loss related to property loss, torts, errors and omissions, and employee injuries (workers' compensation), as well as medical benefits provided to employees. The Authority has purchased commercial insurance for medical benefits, workers' compensation, and general liability claims. Settled claims relating to the commercial insurance have not exceeded the amount of insurance coverage in any of the past three fiscal years.

Required Supplemental Information

Resource Recovery and Recycling Authority of Southwest Oakland County

Required Supplemental Information Budgetary Comparison Schedule - General Administrative Fund Year Ended June 30, 2017

	Prior Year Actual	Current Year			
		Original Budget	Amended	Actual	Over (Under)
			Budget		Amended Budget
Revenue					
Member contributions	\$ 305,958	\$ 305,958	\$ 330,794	\$ 330,794	\$ -
Interest income	3,650	850	1,200	1,381	181
Revenue sharing:					
Curbside	30,890	20,000	140,000	200,085	60,085
Drop-off	6,672	6,000	10,000	12,258	2,258
Host fees	50,000	150,000	305,000	310,832	5,832
Miscellaneous income - Insurance	1,110,136	-	-	-	-
Other	162,778	2,000	3,500	5,390	1,890
Total revenue	1,670,084	484,808	790,494	860,740	70,246
Expenditures					
Supervisory salaries	103,983	105,666	105,666	105,666	-
Permanent salaries	51,467	52,293	52,300	52,299	(1)
Overtime/Bonus/Longevity	3,800	5,489	5,489	5,489	-
FICA	13,516	13,308	13,570	13,570	-
Medical and dental insurance	58,422	62,002	63,363	63,362	(1)
Unemployment insurance	180	216	216	180	(36)
Workers' compensation	944	983	983	885	(98)
ICMA contribution	20,574	20,694	20,694	20,615	(79)
Operating supplies	645	1,100	1,100	346	(754)
Office supplies	1,767	2,000	2,000	1,817	(183)
Postage and mailing	21,699	19,724	18,724	16,765	(1,959)
Magazines and periodicals	76	220	220	100	(120)
Audit	10,500	10,500	10,800	10,800	-
Consulting services - Legal	4,612	1,500	6,600	6,464	(136)
Consulting services - Accounting	6,519	-	-	-	-
Membership dues	1,102	1,109	1,214	1,214	-
Contractual services	46,819	28,695	30,750	24,881	(5,869)
Contractual services - Drop-off	96,550	99,000	107,950	114,850	6,900
Contractual services - HHW	-	-	31,750	32,683	933
Telephone	5,796	5,680	5,930	5,532	(398)
Vehicle allowance	4,800	4,800	4,800	4,800	-
Community relations	500	1,500	4,500	2,985	(1,515)
Printing and publishing	36,173	19,510	21,438	18,112	(3,326)
Building/Liability insurance	20,745	21,000	21,525	21,522	(3)
Equipment maintenance	1,629	1,702	30,302	23,943	(6,359)
Building and grounds maintenance	2,368	500	1,700	1,087	(613)
Office equipment rental	1,708	2,000	2,000	1,384	(616)
Conferences and workshops	2,568	3,000	3,000	933	(2,067)
Expenses and mileage	1,909	2,500	2,500	1,417	(1,083)
Capital outlay	2,664,613	15,000	68,519	54,653	(13,866)
Computer software	98	260	260	165	(95)
Office equipment	687	500	2,000	1,552	(448)
Contingency	-	9,000	-	-	-
Transfers, distributions, and other	27,752	141,073	141,073	141,073	-
Total expenditures	3,214,521	652,524	782,936	751,144	(31,792)
Excess of Revenue Over (Under) Expenditures	(1,544,437)	\$ (167,716)	\$ 7,558	109,596	\$ 102,038
Fund Balance - Beginning of year	1,841,239			296,802	
Fund Balance - End of year	\$ 296,802			\$ 406,398	

Resource Recovery and Recycling Authority of Southwest Oakland County

Required Supplemental Information Budgetary Comparison Schedule - General Administrative Fund Year Ended June 30, 2017

Excess of Expenditures Over Appropriations in Budgeted Funds

During the year, the Authority's General Administrative Fund incurred expenditures in excess of budget related to contractual services - drop off (\$6,900) and contractual services - household hazardous waste (\$933).