

2017/18 Program Budget

Public Agency Risk Sharing
Authority of California

May 25, 2017

TABLE OF CONTENTS

I.	Introduction	1
II.	Significant Changes In Budget	2
III.	Budget Summaries	
	A. All Programs	5
	B. Liability Program	6
	C. Workers' Compensation Program	7
	D. Property and Bond Program	8
	E. Building Fund	9
IV.	Capital Expenditures and Capital Replacement Fund	10
V.	Detailed Budget for All Programs <i>Includes a narrative of budget changes by line item</i>	11
VI.	Detailed Budget by Program	
	A. Liability Program	14
	B. Workers' Compensation Program	17
	C. Property and Bond Program	20

I. INTRODUCTION

The Budget is intended to serve as a policy document, financial plan and operations guide. This fiscally prudent budget reflects the Strategic Plan and policies adopted by the Board. Under the guidance of the Finance and Executive Committees, staff develops a balanced plan, working diligently to keep costs down while striving to provide quality services and loss control programs members have come to expect.

Fund Structure and Budgetary Accounting Method

PARSAC established funds for each program to report the financial position and results of operations. Fund accounting is designed to aid financial management by segregating transactions related to each program. A fund is a separate accounting entity with a self-balancing set of accounts. Funds are classified into two categories: governmental and proprietary. PARSAC's funds are proprietary, specifically enterprise funds (recognizing depreciation) and are used to account for risk financing and loss control services financed through member contributions. Proprietary funds use the accrual basis of accounting. Under this method, revenue is recorded when earned and expenses are recorded at the time the liabilities are incurred.

Budget Calendar and Modification Process

The Board adopts an annual budget for all funds. A preliminary budget is presented to the Finance and Executive Committee each spring with the final version brought forth for Board approval in May. For budget management purposes, the Board may approve requests for adjustments mid-year to accommodate changes to programs that occur during the year. PARSAC's policies allow the General Manager to apply Contingency Funds when required, and staff to transfer appropriations between accounts without increasing total expenditures when appropriate for continued operations.

Report Structure

Section II provides a summary of significant changes. Section III provides budget summaries by program. Section IV identifies the planned Capital expenditures and usage of the Capital Replacement Fund. Section V includes the detailed budget for all programs, along with a narrative of the budget items and changes. Section VI provides budget details by program.

Workers' Compensation Program members approve the Workers' Compensation Program budget, Sections III C. and VI C, and Liability Program members approve the rest of the budget.

II. SIGNIFICANT CHANGES IN BUDGET

A. **Income from Member Contribution**

The Finance Subcommittee recommends continued funding of the Liability Program at the 80% confidence applying a 1.5% discount factor. Estimates of excess coverage indicate increases in both the ERMA and CSAC premiums. Total Contributions increase by 7%.

The Workers' Compensation Program includes continued funding at the 75% confidence level with a 2.5% discount factor. Total Contributions increase by 4%.

The Property program includes funding at a 10% increase. Actual contributions may vary depending on changes in total insured values of property.

The bond program budget increased over the prior year's budgeted amount due to the increase in coverage limits and the addition of cyber crime coverage. However, the actual contributions collected and excess premiums paid remain unchanged from the prior year.

B. **Investment Income**

Investment income increased by 12% based on an increased earnings yield to 1.45% as recommended by investment consultants, PFM Asset Management. The prior year's budget included a 1.29% investment earnings yield.

C. **Excess insurance**

The overall budget for excess insurance increases by 10%. Excess providers offered preliminary estimates as rates are being developed.

The Liability Program excess insurance budget increases by 6% with CSAC-EIA estimating a 9% increase and ERMA, the excess Employment Practices Liability (EPL) provider estimating a 3% increase.

The Workers' Compensation Program excess insurance budget increases by 14%. The property coverage through PEPPIP includes a 10% budget increase. No change is anticipated for the Crime Bond Program actual from the prior year.

D. **Claims Expense**

In total, the budget increases by 7%. The Liability Program increases by 11%. The Workers' Compensation Program increases by 3% as recommended by the actuary.

Claims Administration is included under the Claims Expense category to better align with the actuarial report. The Liability Program claims administration budget remains the same for the pool layer and includes primary administration increase of 3%. The Workers' Compensation Program claims administration fee increases by 3%.

The budget continues to include a line for the Funding to Confidence Level (CL) on pages 11, 14 and 17. Claims expense was historically budgeted at the actuary's expected confidence level of about 50% according to GASB Statement 10. However, this budget recognizes claims expense to the 80% and 75% confidence levels for the Liability and Workers' Compensation Programs respectively, matching the revenue at the increased confidence level with the expense. For GASB compliance, this item will be reversed at year end and the increased funding will be recorded as Net Income and added to the Net Position.

II. SIGNIFICANT CHANGES IN BUDGET - continued

E. Workers' Compensation Self Insurance Fee

The Department of Industrial Relations charges an annual fee for public agencies self-insuring Workers' Compensation coverage. The budget includes an 8% decrease based on last year's actual expense and anticipated funding changes by the Department of Industrial Relations.

F. Payroll and Benefits

An overall decrease of 7% is projected due to changes in staffing during the last fiscal year and includes a Cost of Living Adjustment (COLA) increase of 2.5%. The PERS retirement cost increases 7% or \$6,096 due to required funding. The budget includes salary and benefits for a new Loss Control position. The budget assumes the new employee will be a CalPERS classic member.

- o Retiree Medical (OPEB) – Retiree medical costs decrease based on actuarial annual required contribution calculations.

The California Consumer Price Index (CPI) is used as the basis for cost of living adjustments (COLAs), and was reported at 2.3% for the 2015/16 year. The table below summarizes the CPI along with previous staff and Executive Committee COLA recommendations, and employee contribution toward pension expense.

Fiscal Year	Prior Year California CPI	Staff Rec COLA	Exec Rec COLA	Classic/PEPRA Employee PERS Contribution
2010/11	-0.3%	0%	0%	0%
2011/12	1.0%	0%	0%	0%
2012/13	3.2%	0%	0%	0%
2013/14	3.4%	3.4%	5%	2%
2014/15	0.2%	0%	4%	4%
2015/16	1.8%	2%	3%	6%
2016/17	1.2%	2%	2%	8% / 6.5%
2017/18	2.3%		2.5%	8% / 6.5%

G. Risk Management

The Loss Control Subcommittee recommends continuing the Grant Program funding of \$5,000 per member per program for a total of \$340,000. The Program requires members to use funds allocated in the current year. Any funds unused by May 1 are re-distributed through the Grant Program the following year. The grant fund budget has been reduced by \$99,887 for unused grant funds as of May 1, 2017.

H. Building Maintenance – Details on page 9

Cash based expenses remain unchanged from the prior year. A net loss of \$135,760 is expected when the accruals are included. One-half of the facility costs are allocated directly to the coverage program budgets.

II. SIGNIFICANT CHANGES IN BUDGET - continued

I. **Non-Cash Expense**

Depreciation expense charges the programs for assets that have already been paid for, but require expensing according to the accrual based accounting rules. The Building Fund includes Capital Replacement expense to fund planned and emergency replacement of vital property of the organization.

J. **Expense Allocation Percentages**

The table below provides historic allocation of administrative expense. The recent change was based on member contribution and staff time required for each program.

Program	Prior Allocation	Allocation Since 2007/08	Allocation Since 2015/16
Liability Program	70%	55%	50%
Workers' Compensation Program	30%	40%	45%
Property Program	0%	5%	5%

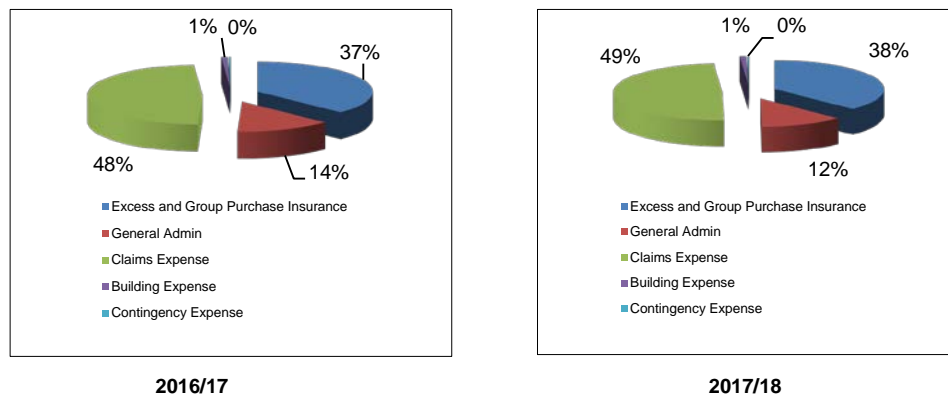
K. **Contingency Expense**

A \$100,000 Contingency Reserve was established in 2013/14. These funds are available to the General Manager for unexpected events or emergencies. A contribution to the fund will be made by both programs for a total of \$50,000.

III. A. ALL PROGRAMS

	Prior Year Actual	Current Yr Budget	Current Year Forecast	Proposed Budget	Budget Difference
	2015/16	2016/17	6/30/17	2017/18	% change
Income					
Member Contributions	\$ 13,125,167	\$ 14,845,202	\$ 14,843,561	\$ 15,172,407	2%
Rate Stabilization Fund Credit	(200,000)	(301,000)	(301,000)	(100,000)	
Investment Income	941,002	463,256	(104,143)	470,421	2%
Investment Consultant *	(54,340)	(53,932)	(51,500)	(54,487)	
Building Fund Equity Offset	-	-	-	67,880	
Other Income	282,544	-	258,227	-	
Total Income	14,094,373	14,953,526	14,645,145	15,556,222	4%
Expense					
Excess Insurance	4,589,002	5,574,027	5,559,249	5,706,175	2%
Excess Dividend Refund	-	-	-	-	
Claims Expense **	4,543,680	7,223,807	7,103,000	7,485,902	4%
General Administration					
WC Self Insurance Fee	60,032	97,304	91,017	90,000	-8%
Payroll and Benefits	1,067,313	1,180,169	936,442	1,100,297	-7%
Consultants	143,036	112,950	104,516	118,950	5%
Risk Management	308,136	391,746	347,322	320,614	-18%
General and Administrative	157,168	145,759	132,587	155,905	7%
Staff Travel and Training	22,349	21,500	18,795	24,900	16%
Board Expenses	90,424	57,200	57,197	71,000	24%
Non-Cash Expense	4,173	7,000	4,172	7,000	0%
Total General Administration	1,852,631	2,013,629	1,692,048	1,888,666	-6%
Contingency Expense	-	50,000	-	50,000	
Capital Expenditures - Expensed - detail page10	-	-	-	70,500	
Building Maintenance	95,000	125,919	129,187	135,760	8%
Total Expense	11,080,313	14,987,382	14,483,483	15,337,002	2%
Net Income (Loss)	\$ 3,014,060	\$ (33,856)	\$ 161,661	\$ 219,220	
Capital Expenditures Capitalized- detail on page 10	\$ 32,595	\$ 85,000	\$ 25,000	\$ 50,000	-41%

Two Year Budgeted Expense Comparison Charts



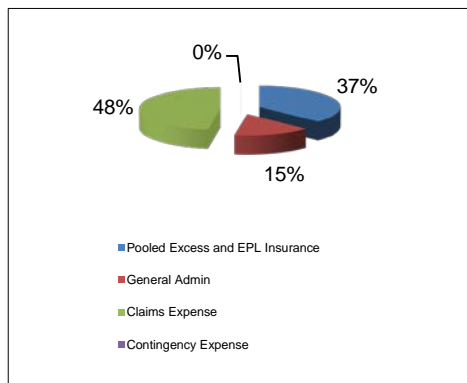
* Investment Consultant expense offset by Investment earnings.

** Includes Claims Administration of \$730,750.

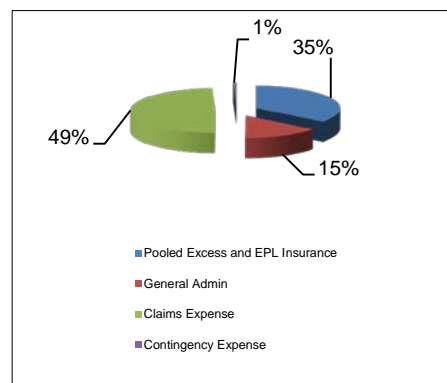
III. B. LIABILITY PROGRAM

	Prior Year Actual	Current Yr Budget	Current Year Forecast	Proposed Budget	Budget Difference
	2015/16	2016/17	6/30/17	2017/18	% change
Income					
Member Contributions	\$ 5,547,074	\$ 6,620,191	\$ 6,493,768	\$ 6,518,732	-2%
Special Events Credit	(17,500)	(17,500)	(17,500)	(17,500)	0%
Rate Stabilization Expense	(200,000)	(230,000)	(230,000)	(100,000)	
Investment Income	395,221	194,568	(57,567)	197,577	2%
Investment Consultant*	(22,823)	(26,427)	(26,000)	(26,698)	1%
Other Income	277,792	-	254,185	-	
Total Income	5,979,764	6,540,832	6,416,886	6,572,111	0%
Expense					
Excess Insurance	1,883,768	2,449,388	2,322,970	2,304,838	-6%
Claims Expense **	1,561,948	3,132,606	3,617,004	3,201,717	2%
General Administration					
Payroll and Benefits	540,749	590,085	468,225	550,148	-7%
Consultants	89,590	58,200	56,855	63,075	8%
Risk Management	180,673	246,568	222,000	209,063	-15%
General and Administrative	78,584	72,880	65,520	77,953	7%
Staff Travel and Training	11,175	10,750	9,405	12,450	16%
Board Expenses	45,312	28,600	28,599	35,500	24%
Non-Cash Expense	2,086	3,500	2,085	3,500	0%
Total General Administration	948,169	1,010,582	852,689	951,689	-6%
Contingency Expense	-	-	-	27,500	
Capital Expenditures Expensed - See pg. 10	-	-	-	38,775	
Total Expense	4,393,885	6,592,576	6,792,663	6,524,519	-1%
Net Income (Loss)	\$ 1,585,879	\$ (51,744)	\$ (375,777)	\$ 47,592	-192%
Capital Expenditures Capitalized - detail on page 10	\$ 19,557	\$ 46,750	\$ 13,750	\$ 27,500	-41%

Two Year Budgeted Expense Comparison Charts



2016/17



2017/18

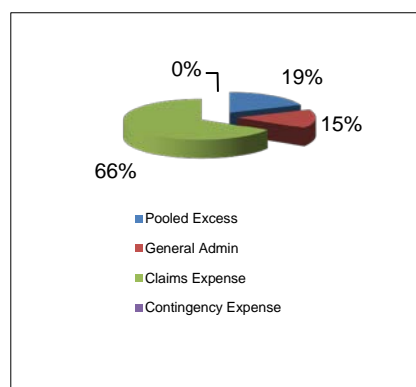
* Investment Consultant expense offset by Investment Income.

** Includes Claims Administration of \$320,500.

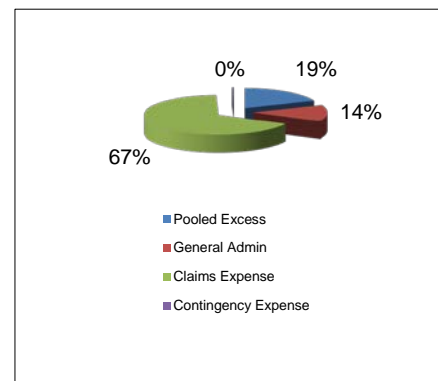
III. C. WORKERS' COMPENSATION PROGRAM

	Prior Year Actual	Current Yr Budget	Current Year Forecast	Proposed Budget	Budget Difference
	2015/16	2016/17	6/30/17	2017/18	% change
Income					
Member Contributions	\$ 5,826,034	\$ 6,197,783	\$ 6,197,781	\$ 6,402,784	3%
Rate Stabilization Expense	-	(71,000)	(71,000)	-	
Investment Income	545,781	268,689	(46,576)	272,844	2%
Investment Consultant*	(31,517)	(27,505)	(25,500)	(27,788)	1%
Other Income	4,746	-	4,036	-	
Total Income	6,345,044	6,367,966	6,058,741	6,647,840	4%
Expense					
Excess Insurance	1,013,246	1,153,113	1,139,984	1,203,558	4%
Claims Expense **	2,981,732	4,091,201	3,485,996	4,284,185	5%
General Administration					
WC Self Insurance Fee	60,032	97,304	60,032	90,000	-8%
Payroll and Benefits	475,949	531,076	420,974	495,134	-7%
Consultants	51,067	52,130	45,070	53,218	2%
Risk Management	127,463	145,178	125,322	111,551	-23%
General and Administrative	70,726	65,592	60,390	70,157	7%
Staff Travel and Training	10,057	9,675	8,465	11,205	16%
Board Expenses	40,591	25,740	25,739	31,950	24%
Non-Cash Expense	1,878	3,150	1,878	3,150	0%
Total General Administration	837,763	929,845	747,869	866,364	-7%
Contingency Expense	-	50,000	-	22,500	
Capital Expenditures Expensed - See pg. 10	-	-	-	31,725	
Total Expense	4,832,741	6,224,159	5,373,849	6,408,332	3%
Net Income (Loss)	\$ 1,512,303	\$ 143,807	\$ 684,891	\$ 239,508	67%
Capital Expenditures Capitalized - detail on page 10	\$ 13,038	\$ 34,000	\$ 10,000	\$ 22,500	-34%

Two Year Budgeted Expense Comparison Charts



2016/17



2017/18

* Investment Consultant expense offset by Investment Income.

** Includes Claims Administration of \$410,250.

III. D. PROPERTY AND BOND PROGRAMS

	Prior Year Actual	Current Yr Budget	Current Year Forecast	Proposed Budget	Budget Difference
	2015/16	2016/17	6/30/17	2017/18	% change
Income					
Property Contributions	\$ 1,732,421	\$ 2,005,728	\$ 2,097,657	\$ 2,196,391	10%
Bond Income*	37,138	39,000	71,855	72,000	85%
Other Income	6	-	6	-	
Total Income	1,769,565	2,044,728	2,169,518	2,268,391	11%
Expense					
Property Insurance - PEPPI	1,654,850	1,932,526	2,024,440	2,125,779	10%
Bond Insurance*	37,138	39,000	71,855	72,000	85%
General Administration					
Payroll and Benefits	50,615	59,008	40,109	55,015	-7%
Consultants	2,379	2,620	2,591	2,658	1%
General and Administrative	7,858	7,288	7,251	7,795	7%
Staff Travel and Training	1,117	1,075	819	1,245	16%
Board Expenses	4,521	2,860	3,250	3,550	24%
Non-Cash Expense	209	350	-	350	0%
Total General Administration	66,699	73,201	54,020	70,613	-4%
Contingency Expense	-	-	-	-	0%
Total Expense	1,758,687	2,044,728	2,150,315	2,268,391	11%
Net Income (Loss)	\$ 10,878	\$ -	\$ 19,203	\$ -	

** Increase in bond budget due to increased coverage limit

III. E. BUILDING FUND

	Prior Year Actual	Current Year Budget	Current Year Forecast	Proposed Budget	Budget Difference
	2015/16	2016/17	6/30/17	2017/18	% Change
Operating Expense - Building					
Utilities	15,773	17,000	17,750	17,750	4%
Janitorial Service	8,197	8,700	8,634	8,500	-2%
Landscaping Service	3,830	6,600	6,740	6,800	3%
Pest Control	567	600	595	600	0%
Security/Alarm	450	500	450	450	-10%
Property Taxes	11,998	12,928	11,975	12,500	-3%
Insurance - Property (Office)	2,443	2,981	2,231	2,500	-16%
Building Repairs	7,610	8,000	12,000	8,000	0%
Total Operating Expense	50,868	57,309	60,375	57,100	0%
Operating Income (Loss)	(50,868)	(57,309)	(60,375)	(57,100)	0%
Non-Cash Expenses					
Capital Replacement Fund Expense	-	23,610	23,610	33,660	43%
Depreciation	44,132	45,000	45,202	45,000	0%
Total Expenses	95,000	125,919	129,187	135,760	8%

Cost Allocation	Allocation %	Budget \$
Workers' Compensation Program	22.5	30,546
Liability Program	25	33,940
Property/Bond Program	2.5	3,394
Building Equity Fund	50	67,880
	100	135,760

IV. CAPITAL EXPENDITURES and CAPITAL REPLACEMENT FUND

CAPITAL EXPENDITURES

Capital expenditures are expenses of a permanent nature that will be capitalized and depreciated over an estimated useful life. The threshold for capitalizing costs is \$10,000. All costs under \$10,000 will be expensed in the year incurred.

PARSAC OFFICE	
Access Claims Database – carryover funds	10,000
Access Claims Database – Project Continuation	30,000
Miscellaneous	7,000
Mirrored Backup Server	7,000
Office Computers/Printers	6,500
Copier	10,000
Total	\$70,500
BUILDING RELATED	
Tenant Improvement - carryover	\$15,000
Balance set aside to renovate suite for new tenant.	
Miscellaneous	10,000
Total	\$25,000
Grand Total	\$98,500

CAPITAL REPLACEMENT FUND

The Capital Replacement Fund was created in fiscal year 2003/04 for planned and emergency replacement of vital property of the organization. A portion of the replacement costs is collected annually. The roof replacement project has been carried over from the prior year.

Description	Last Replacement	Estimated Life	Original Cost	Planned Purchase
Roof	Sep 1986	25	\$ 25,000	\$100,000
Phone system	Feb 2017	5	3,000	
HVAC – 10 units	May 2003	10	50,000	25,000
Exterior paint	Apr 2016	5	12,400	
Company vehicle	Oct 2010	5	30,000	40,000
Office Copier	Dec 2012	5	7,700	
Parking lot sealing/paving	Jun 2013	5	25,000	
Interior paint/carpet-PARSAC	Dec 2014	10	21,400	
Exterior doors	May 2015	10	11,500	
Entry/landscape remodel	Jun 2016	10	25,000	
Computer equipment	2005-2016	3	15,500	
Total			\$226,500	\$165,000
Annual Expense			\$33,660	

Fund balance at June 30, 2016	\$185,151
--------------------------------------	------------------

V. DETAILED BUDGET FOR ALL PROGRAMS

	Prior Year Actual	Current Yr Budget	Current Year Forecast	Proposed Budget	Budget Difference
	2015/16	2016/17	6/30/17	2017/18	% change
INCOME					
Member Contributions					
Liability Contributions	\$ 5,547,074	\$ 6,620,191	\$ 6,493,768	\$ 6,518,732	-2%
Rate Stabilization Credit	(200,000)	(230,000)	(230,000)	(100,000)	
Special Events Credit	(17,500)	(17,500)	(17,500)	(17,500)	0%
Workers' Compensation Contributions	5,826,034	6,197,783	6,197,781	6,402,784	3%
WC Rate Stabilization	-	(71,000)	(71,000)	-	
Property Income	1,732,421	2,005,728	2,097,657	2,196,391	10%
Bond Income	37,138	39,000	71,855	72,000	85%
Total Member Contributions	12,925,167	14,544,202	14,542,561	15,072,407	4%
Investment Income	486,898	463,256	455,431	470,421	2%
Change in Market Value	454,104	-	(559,574)	-	
Investment Consultant*	(54,340)	(53,932)	(51,500)	(54,487)	1%
Total Investment Income	886,662	409,324	(155,643)	415,935	2%
Building Fund Equity Offset	-	-	-	67,880	
Other Income	282,544	-	258,227	-	
TOTAL INCOME	14,094,373	14,953,526	14,645,145	15,556,222	4%
EXPENSE					
Excess Insurance					
Liability Insurance - CSAC	1,030,763	1,233,948	1,111,805	1,121,901	-9%
Employment Practices Premium -ERMA	853,005	1,215,440	1,211,165	1,182,937	-3%
Workers Comp Premium - LAWCX	1,013,246	1,153,113	1,139,984	1,203,558	4%
Property Insurance - PEPPI	1,654,850	1,932,526	2,024,440	2,125,779	10%
Bond Insurance	37,138	39,000	71,855	72,000	85%
Total Excess Insurance	4,589,002	5,574,027	5,559,249	5,706,175	2%
Liability Claims Expense					
Liability Claims Expense at expected	1,176,319	1,837,524	2,843,845	1,911,514	4%
Unallocated Loss Adj Expense	63,802	382,039	-	327,294	-14%
Funding to 80% CL	-	596,543	463,062	642,409	8%
Claim Administration Fees	303,875	306,500	306,500	310,500	1%
Sewer Consulting	17,952	10,000	3,597	10,000	0%
Total Liability Claims Expense	1,561,948	3,132,606	3,617,004	3,201,717	2%
Workers Compensation Claims Expense					
WC Claims Expense at expected	2,546,941	2,816,976	2,517,105	2,812,548	0%
Unallocated Loss Adj Expense	188,802	315,646	-	511,263	62%
Funding to 75% CL	-	558,579	568,891	550,124	-2%
Claim Administration Fees	245,989	400,000	400,000	410,250	3%
Total Workers Compensation Claims Exp	2,981,732	4,091,201	3,485,996	4,284,185	5%
EXPENSE - continued					
WC Self Insurance Fee	60,032	97,304	91,017	90,000	-8%
Payroll and Benefits					
Employee Salary	670,494	707,821	621,538	667,068	-6%

V. DETAILED BUDGET FOR ALL PROGRAMS - DESCRIPTION OF CHANGES

Liability Contributions The Finance Subcommittee and Executive Committee recommends continued funding at the 80% confidence level, with the discount factor continuing at 1.5%. Contributions decrease by 2% and include excess insurance through CSAC-EIA (\$33 million xs \$1 million) and ERMA (\$1 million limit).

Workers' Compensation Contributions The Finance Subcommittee and Executive Committee recommends continued funding at the 75% confidence level applying the discount factor of 2.5%. Contributions increase by 3% and include excess insurance with LAW CX (\$500,000 to statutory limits).

Property Contributions Contributions are estimated to increase by 10%. Members are charged an administrative fee equal to 5% of PARSAC's total administrative cost. Actual contributions may vary depending on changes in total insured values and individual claim experience.

Bond Contributions The bond program budget increased over the prior year's budgeted amount due to an increase in coverage limits and the addition of cyber crime coverage. However, the actual contributions collected and excess premiums paid remain unchanged from the prior year. Members are not charged for administration of the Bond Program. The insurance premium is passed directly through to members.

Retrospective Premium Adjustment (RPA) The RPA represents the calculation of a return of program year equity or assessment of deficit, as declared by the Board in May. It is calculated in February to include the most up-to-date claim information. The finance committee has recommended declaring a dividend in the Workers' Compensation Program in the amount of \$ 1,250,000 with \$1million being returned to the members and \$250,000 allocated to replenishing the rate stabilization fund. It is also recommended that \$243,941 be reallocated to fund deficit years in the Workers' Compensation Program and \$887,641 liability equity in the amount of \$887,341 is recommended to reallocate equity from available funds to years with deficits.

Investment Income Investment income recognizes the portfolio's return on investment. The portfolio includes \$35.9 million invested through PFM Asset Management LLC and \$903,000 maintained in the California State Local Agency Investment Fund (LAIF) account. The remainder is in checking and savings accounts and invested in PARSAC's building. The budget for investment income reflects an expected increase in yield from 1.29% to 1.45% as projected by the Investment consultants at PFM Asset Management.

Investment Consultant Expense PFM Asset Management manages the portfolio. The fee arrangement is 15 basis points for the first \$10 million and 14 basis points thereafter. This category also includes the bank custodial service fee of \$3,500.

Excess Insurance Expense

Liability Premium (CSAC-EIA) Decreases by 9% based on estimates provided by CSAC.

Employment Practices Premium (ERMA) Decreases by 3% based on estimates provided by ERMA.

Workers' Compensation (LAWCX) Increases by 4% based on estimates provided by LAW CX.

Property Insurance (PEPIP) Estimated to increase by 10%.

Bond Insurance A minimal increase is expected in the insurance premium and is within the current budget amount.

Claims Expense Claims expense is the cost of claims for this coverage year, and is projected by the actuary to increase by 2% in the Liability Program and 5% in the Workers' Compensation Program due to increased claims development. To better align with the actuarial report, Claims Administration expense has been combined with this category. Liability Program claims administration remains the same for pool claims administration and increases 3% for primary claims administration. The Workers' Compensation Program claims administration fee increases by 3%.

Claims expense is included in the budget at the actuary's expected confidence level (about 50%) according to GASB Statement No. 10. The budget also includes a separate line item to record the additional expense of funding at a higher confidence level in each program. The actual columns vary from the budgets due to the required recording of payments and actuarial adjustments for prior years' claim activity.

V. DETAILED BUDGET FOR ALL PROGRAMS

	Prior Year Actual	Current Yr Budget	Current Year Forecast	Proposed Budget	Budget Difference
	2015/16	2016/17	6/30/17	2017/18	% change
Merit Increase	-	14,121	-	15,000	6%
Accrued Vacation Expense	9,956	7,000	7,000	7,000	0%
COLA Increase	-	12,656	-	13,927	10%
Deferred Compensation	16,000	17,500	17,500	19,000	9%
Performance Pay	-	15,000	-	15,000	0%
Payroll Taxes PARSAC	10,304	13,000	9,739	12,000	-8%
Medical Benefit	88,233	118,000	90,735	118,000	0%
Ancillary Health Benefits	16,314	25,000	10,052	19,000	-24%
PERS Retirement Cost	156,644	138,358	95,890	140,186	1%
Employee pension withholding	(37,782)	(58,543)	(42,012)	(54,275)	-7%
Pension exp - GASB 68	62,343	-	-	-	
Retiree Medical - OPEB	74,807	170,256	126,000	128,392	-25%
Total Payroll and Benefits	1,067,313	1,180,169	936,442	1,100,297	-7%
Consultants					
Actuarial Liability Fee	9,855	11,000	11,000	12,000	9%
Actuarial WC Fee	11,855	13,500	13,500	14,500	7%
Computer Consultant	3,236	6,000	5,500	6,000	0%
Web Development	7,960	2,900	7,811	2,900	0%
Legal- General	30,654	26,550	26,305	26,550	0%
Financial Audit/Accounting	23,200	24,500	23,900	25,250	3%
Consultants Liab Other	39,930	12,500	9,500	16,000	28%
Consultants WC Other	16,346	16,000	7,000	15,750	-2%
Total Consultants	143,036	112,950	104,516	118,950	5%
Risk Management					
Safety & Loss - Liability					
New Member Audit	-	5,000	-	5,000	0%
Grant Program	155,509	172,568	180,000	135,063	-22%
Lexipol	24,108	65,000	40,000	65,000	0%
On-line Training	1,056	4,000	2,000	4,000	0%
Safety & Loss - WC					
Grant Program	126,359	138,678	122,322	105,051	-24%
Workshops	-	-	-	-	
Video Program	-	500	-	500	0%
On-line Training	1,104	6,000	3,000	6,000	0%
Total Risk Management	308,136	391,746	347,322	320,614	-18%

V. DETAILED BUDGET FOR ALL PROGRAMS - DESCRIPTION OF CHANGES

Payroll and Benefits

Employee Salary Represents the current staff salary and the addition of one staff member.

Merit Increase Includes funding for eligible staff.

COLA Increase A cost of living adjustment of 2.5% has been approved by the Executive Committee and is included in the budget. The COLA is based on the California CPI which was 2.3% for the 15/16 year.

Accrued Vacation Estimated budget remains the same as the prior year.

Deferred Compensation Increases by \$1,500 per year by contract.

Medical Remains unchanged from the prior year..

Ancillary Health Benefits Dental, vision, life and disability insurance are provided. The budget decreased by 24% due to a reduction in staff.

PERS Retirement The retirement costs increase 7% or \$6,096 based on change in funding rates. Employer rate for existing classic employees with a 2.5% @ 55 benefit increases from 11.195% to 11.236% and PEPRAs employees decreases from 7.066% to 7.045% .

Employee Pension Withholding The CalPERS retirement expense is reduced by staff contributions with PERS Classic members contributing 8% and PEPRAs members contributing 6.5%.

Retiree Medical - OPEB A 25% decrease is expected based on actuarial calculated annual contribution .

Consultants

Actuarial Services Estimated fees for the year includes a second report of claim liabilities for both programs as of June 30th.

Computer Consultant Estimate based on anticipated costs for the year.

Web Development The budget covers site maintenance.

Legal – General Estimate remains the same as the prior year.

Financial Audit/Accounting The budget is based on the fee set by the contract and increases by 3%.

Consultants Liability – Other Increases by 28%. Includes funds for a contract's consultant and special projects. This also includes funding for a biennial OPEB actuarial report.

Consultants WC – Other Increases by 5%. Includes funds for a contract's consultant and special projects.

Safety and Loss Control – Liability Program

New Member Audit Cost of consultant to assist with analysis of prospective member applications.

Grant Program The Grant Program will continue the amount of \$5,000 per program per member for a total budget of \$240,114. Members must use the Grant funds by May 1 each year; unused funds are redistributed through the Grant Program the following year. The final budget will be adjusted based on actual usage determined in May with unused funds decreasing budgeted amount.

Lexipol Provides member reimbursement for the law enforcement policy manual and daily training bulletins. There is no change in the budget.

Police department reimbursement: 50% of policy development up to a maximum of \$2,500; \$1,000 annually for the manual update; and the full cost of the Daily Training Bulletin. **Fire department reimbursement:** 50% of policy development up to a maximum of \$3,500; and 50% of renewal fees up to a maximum of \$2,500.

On-line Training On-line training program continues with Target Safety for OSHA compliance and fire and waste water certification programs. The budget is based on past usage.

Safety and Loss Control – Workers' Compensation Program

Grant Program - See description above under Safety and Loss Control - Liability Program

Safety Video Program PARSAC continues to build an in-house safety library.

On-line Training On-line training program continues with Target Safety for OSHA compliance. Budget remains the same.

V. DETAILED BUDGET FOR ALL PROGRAMS

	Prior Year Actual	Current Yr Budget	Current Year Forecast	Proposed Budget	Budget Difference
	2015/16	2016/17	6/30/17	2017/18	% change
EXPENSE - continued					
General and Administrative					
Advertising & Promotion	10,882	6,000	6,025	11,000	83%
Dues	7,502	1,500	1,048	1,500	0%
Subscriptions	398	600	600	600	0%
Copier Maintenance	926	700	635	725	4%
Computer Cost	6,506	5,000	5,000	5,000	0%
Repairs & Maintenance	-	500	-	500	0%
Insur Liab Office	8,247	9,000	8,248	9,000	0%
Employee WC Insurance	19,747	25,000	15,305	25,000	0%
Office Expense	8,613	8,000	9,400	8,250	3%
Printing	3,416	3,900	4,520	4,750	22%
Postage & Express Mail	3,396	3,000	2,650	3,000	0%
Telephone	12,806	11,000	9,800	10,000	-9%
Payroll Service	1,855	1,600	1,551	1,700	6%
Internet Service - web host,domain, dsl	736	1,000	1,000	1,000	0%
Bank Service Fee	11,056	6,000	5,723	6,000	0%
Facility Expense	61,082	62,959	61,082	67,880	8%
Total General and Administrative	157,168	145,759	132,587	155,905	7%
Staff Travel and Training					
Staff-Education & Training	3,828	5,000	4,295	5,400	8%
Staff-Travel Cost	13,012	12,000	10,000	13,000	8%
Staff - Vehicle Maintenance	5,509	4,500	4,500	6,500	44%
Total Staff Travel and Training	22,349	21,500	18,795	24,900	16%
Board Expenses					
Board Directors- Travel & Meetings	90,424	57,200	57,197	59,000	3%
Board Directors- Education	-	-	-	12,000	
Total Board Expenses	90,424	57,200	57,197	71,000	24%
Building Maintenance					
See Building Schedule - page 9	95,000	125,919	129,187	135,760	8%
Total Building Maintenance	95,000	125,919	129,187	135,760	8%
Contingency Expense	-	50,000	-	50,000	0%
Capital Expenditures - See pg. 10	-	-	-	70,500	
Non-Cash Expense / Capital Expenditures					
Office - Depreciation	4,173	7,000	4,172	7,000	0%
Total Non-Cash Expense	4,173	7,000	4,172	7,000	0%
TOTAL EXPENSE	11,080,313	14,987,382	14,483,483	15,337,002	2%
NET INCOME	\$ 3,014,060	\$ (33,856)	\$ 161,661	\$ 219,220	

V. DETAILED BUDGET FOR ALL PROGRAMS - DESCRIPTION OF CHANGES

General and Administrative

Advertising & Promotion Increases due to the increased cost to participate in the League of California Cities conference and replacement and replenishment of marketing materials. Also included in the costs is the annual report.

Dues Increases for increased costs and additional association dues for loss control staff member.

Printing Increases for the printing of the annual report.

Staff Travel and Training Includes funds for member visits, attendance at mediations and trials as well as staff training. Travel and training budget increased to provide additional training for new personnel.

Board Expenses

Travel & Meetings Includes funds for Committee and Board meetings, member travel expenses, and Annual Academy and Strategic Planning . The budget also includes \$12,000 to provide training for board members.

Building Maintenance – page 9

Utilities Increases by 4% based on estimated increases.

Landscaping Service Increases in based on contract costs.

Capital Replacement Fund Expense Funds a reserve to cover the cost of replacing large value assets. See table on page 10.

Depreciation Expense The budget remains the same.

Contingency Expense A Contingency Reserve of \$100,000 was established in the 2013/14 year. Includes \$50,000 to be funded between Workers' Compensation and the Liability Program.

Capital Expenditures Includes items that are under the capitalization threshold of \$10,000 and will be expensed when purchased. Planned purchases are included on page 10.

Non-Cash Expense This category includes assets that have already been paid for, but require expensing through depreciation or amortization according to the accrual based accounting rules. Depreciation of office furniture and equipment is the only expense remaining in this category.

VI. A. LIABILITY PROGRAM - DETAILED BUDGET

	Prior Year Actual	Current Yr Budget	Current Year Forecast	Proposed Budget	Budget Difference
	2015/16	2016/17	6/30/17	2017/18	% Change
INCOME					
Member Contributions					
Liability Contributions	\$ 5,547,074	\$ 6,620,191	\$ 6,493,768	\$ 6,518,732	-2%
Rate Stabilization Expense	(200,000)	(230,000)	(230,000)	(100,000)	
Special Events Credit	(17,500)	(17,500)	(17,500)	(17,500)	0%
Total Member Contributions	5,329,574	6,372,691	6,246,268	6,401,232	0%
Investment Income	204,497	194,568	191,281	197,577	2%
Change in Market Value	190,724	-	(248,848)	-	
Investment Consultants	(22,823)	(26,427)	(26,000)	(26,698)	1%
Total Investment Income	372,398	168,141	(83,567)	170,879	2%
Other Income	277,792	-	254,185		
TOTAL INCOME	5,979,764	6,540,832	6,416,886	6,572,111	0%
EXPENSE					
Excess Insurance					
Liability Insurance Premium - CSAC	1,030,763	1,233,948	1,111,805	1,121,901	-9%
Employment Practices Premium -ERMA	853,005	1,215,440	1,211,165	1,182,937	-3%
Total Excess Insurance	1,883,768	2,449,388	2,322,970	2,304,838	-6%
Excess Dividend Refund	-	-	-	-	
Liability Claims Expense					
Liability Claims Expense at expected	1,176,319	1,837,524	2,843,845	1,911,514	4%
Unallocated Loss Adj Expense	63,802	382,039	-	327,294	-14%
Funding to 80% CL		596,543	463,062	642,409	8%
Liab Administration Fees - pool	158,635	160,000	160,000	160,000	0%
Liab Administration Fees - primary	145,240	146,500	146,500	150,500	3%
Sewer Consulting	17,952	10,000	3,597	10,000	0%
Total Liability Claims Expense	1,561,948	3,132,606	3,617,004	3,201,717	2%
Payroll and Benefits					
Employee Salary	335,247	353,911	311,764	333,534	-6%
Merit Increase	-	7,060	-	7,500	6%
Accrued Vacation Expense	4,589	3,500	3,500	3,500	0%
COLA Increase	-	6,328	-	6,963	10%
Deferred Compensation	8,000	8,750	8,750	9,500	9%
Performance Pay	-	7,500	-	7,500	0%
Payroll Taxes PARSAC	5,152	6,500	4,869	6,000	-8%
Medical Benefit	44,116	59,000	45,367	59,000	0%
Ancillary Health Benefits	8,157	12,500	5,026	9,500	-24%
PERS Retirement Cost	78,322	69,179	47,945	70,093	1%
Employee pension withholding	(18,891)	(29,271)	(21,996)	(27,138)	-7%

EXPENSE - continued

VI. A. LIABILITY PROGRAM - DETAILED BUDGET

	Prior Year Actual	Current Yr Budget	Current Year Forecast	Proposed Budget	Budget Difference
	2015/16	2016/17	6/30/17	2017/18	% Change
Pension exp- GASB 68	38,653				
Retiree Medical - OPEB	37,404	85,128	63,000	64,196	-25%
Total Payroll and Benefits	540,749	590,085	468,225	550,148	-7%
Consultants					
Actuarial Liability Fee	9,855	11,000	11,000	12,000	9%
Web Develop/Maint	3,980	1,450	3,905	1,450	0%
Computer Consultant	1,618	3,000	2,500	3,000	0%
Legal- General	22,607	18,000	18,000	18,000	0%
Financial Audit/Accounting	11,600	12,250	11,950	12,625	3%
Consultants Liab Other	39,930	12,500	9,500	16,000	28%
Total Consultants	89,590	58,200	56,855	63,075	8%
Risk Management					
New Member Audit	-	5,000	-	5,000	0%
Grant Program	155,509	172,568	180,000	135,063	-22%
Lexipol	24,108	65,000	40,000	65,000	0%
On-line Training	1,056	4,000	2,000	4,000	0%
Member Risk Assessments	-	-	-	-	
Total Risk Management	180,673	246,568	222,000	209,063	-15%
General and Administrative					
Advertising & Promotion	5,441	3,000	3,024	5,500	83%
Dues	3,751	750	512	750	0%
Subscriptions	199	300	300	300	0%
Copier Maintenance	463	350	300	363	4%
Computer Cost	3,253	2,500	2,500	2,500	0%
Repairs & Maintenance	-	250	-	250	0%
Insur Liab Office	4,124	4,500	4,124	4,500	0%
Employee WC Insurance	9,874	12,500	6,782	12,500	0%
Office Expense	4,306	4,000	4,750	4,125	3%
Printing	1,708	1,950	2,300	2,375	22%
Postage & Express Mail	1,698	1,500	1,350	1,500	0%
Telephone	6,403	5,500	4,900	5,000	-9%
Payroll Service	927	800	775	850	6%
Internet Service- web host,domain,dsl	368	500	500	500	0%
Bank Service Fees	5,528	3,000	2,862	3,000	0%
Facility Expense	30,541	31,480	30,541	33,940	8%
Total General and Administrative	78,584	72,880	65,520	77,953	7%
EXPENSE - continued					
Staff-Education & Training	1,914	2,500	2,155	2,700	8%
Staff-Travel Cost	6,506	6,000	5,000	6,500	8%
Staff - Vehicle Maintenance	2,755	2,250	2,250	3,250	44%

VI. A. LIABILITY PROGRAM - DETAILED BUDGET

	Prior Year Actual	Current Yr Budget	Current Year Forecast	Proposed Budget	Budget Difference
	2015/16	2016/17	6/30/17	2017/18	% Change
Total Staff Travel and Training	11,175	10,750	9,405	12,450	16%
Board Expenses					
Board Directors- Travel & Meetings	45,312	28,600	28,599	29,500	3%
Board Directors- Education	-	-	-	6,000	
Total Board Expenses	45,312	28,600	28,599	35,500	24%
Contingency Expense	-	-	-	27,500	0%
Capital Expenditures - See pg. 10	-	-	-	38,775	
Non-Cash Expense					
Office - Depreciation	2,086	3,500	2,085	3,500	0%
Total Non-Cash Expense	2,086	3,500	2,085	3,500	0%
TOTAL EXPENSE	4,393,885	6,592,576	6,792,663	6,524,519	-1%
NET INCOME	\$ 1,585,879	\$ (51,744)	\$ (375,777)	\$ 47,592	-192%

VI. B. WORKERS' COMPENSATION PROGRAM - DETAILED BUDGET

	Prior Year Actual	Current Yr Budget	Current Year Forecast	Proposed Budget	Budget Difference
	2015/16	2016/17	6/30/17	2017/18	% Change
INCOME					
Member Contributions					
Workers' Compensation Contributions	\$ 5,826,034	\$ 6,197,783	\$ 6,197,781	\$ 6,402,784	3%
Rate Stabilization Expense	-	(71,000)	(71,000)	-	
WC Payroll Adjustment- prior year	88,023	-	-	-	
Total Member Contributions	5,914,057	6,126,783	6,126,781	6,402,784	5%
Investment Income	282,401	268,689	264,150	272,844	2%
Change in Market Value	263,380	-	(310,726)	-	
Investment Consultants	(31,517)	(27,505)	(25,500)	(27,788)	1%
Total Investment Income	514,264	241,183	(72,076)	245,056	2%
Other Income	4,746	-	4,036	-	
TOTAL INCOME	6,433,067	6,367,966	6,058,741	6,647,840	4%
EXPENSE					
Excess Insurance					
Workers Comp Premium - LAWCX	1,013,246	1,153,113	1,139,984	1,203,558	4%
Total Excess Insurance	1,013,246	1,153,113	1,139,984	1,203,558	4%
Workers Compensation Claims Expense					
WC Claims Expense at expected	2,546,941	2,816,976	2,517,105	2,812,548	0%
Unallocated Loss Adj Expense	188,802	315,646	-	511,263	62%
Funding to the 75% CL	-	558,579	568,891	550,124	-2%
WC Adm Fees	245,989	400,000	400,000	410,250	3%
Total Workers Compensation Claims Exp	2,981,732	4,091,201	3,485,996	4,284,185	5%
WC Self Insurance Fee	60,032	97,304	60,032	90,000	-8%
Payroll and Benefits					
Employee Salary	301,722	318,520	280,157	300,180	-6%
Merit Increase	-	6,354	-	6,750	6%
Accrued Vacation Expense	4,869	3,150	3,150	3,150	0%
COLA Increase	-	5,695	-	6,267	10%
Deferred Compensation	7,200	7,875	7,875	8,550	9%
Performance Pay	-	6,750	-	6,750	0%
Payroll Taxes PARSAC	4,637	5,850	4,383	5,400	-8%
Medical Benefit	39,705	53,100	40,831	53,100	0%
Ancillary Health Benefits	7,341	11,250	4,524	8,550	-24%
PERS Retirement Cost	70,490	62,261	43,150	63,084	1%
Employee pension withholding	(17,368)	(26,344)	(19,796)	(24,424)	-7%

VI. B. WORKERS' COMPENSATION PROGRAM - DETAILED BUDGET

	Prior Year Actual	Current Yr Budget	Current Year Forecast	Proposed Budget	Budget Difference
	2015/16	2016/17	6/30/17	2017/18	% Change
EXPENSE - continued					
Pension exp - GASB 68	23,690	-	-	-	
Retiree Medical -OPEB	33,663	76,615	56,700	57,776	-25%
Total Payroll and Benefits	475,949	531,076	420,974	495,134	-7%
Consultants					
Actuarial WC Fee	11,855	13,500	13,500	14,500	7%
Computer Consultant	1,456	2,700	2,700	2,700	0%
Web Develop/Maint	3,582	1,305	3,515	1,305	0%
Legal- General	7,388	7,600	7,600	7,600	0%
Financial Audit/Accounting	10,440	11,025	10,755	11,363	3%
Consultants WC Other	16,346	16,000	7,000	15,750	-2%
Total Consultants	51,067	52,130	45,070	53,218	2%
Risk Management					
Grant Program	126,359	138,678	122,322	105,051	-24%
Safety Video	-	500	-	500	0%
On-line training	1,104	6,000	3,000	6,000	0%
Total Risk Management	127,463	145,178	125,322	111,551	-23%
General and Administrative					
Advertising & Promotion	4,897	2,700	2,721	4,950	83%
Dues	3,376	675	461	675	0%
Subscriptions	179	270	270	270	0%
Copier Maintenance	417	315	300	326	4%
Computer Cost	2,928	2,250	2,250	2,250	0%
Repairs & Maintenance	-	225	-	225	0%
Insur Liab Office	3,711	4,050	3,711	4,050	0%
Employee WC Insurance	8,886	11,250	7,536	11,250	0%
Temporary Services	-	-	-	-	0%
Office Expense	3,876	3,600	4,250	3,713	3%
Printing	1,537	1,755	2,070	2,138	22%
Postage & Express Mail	1,528	1,350	1,200	1,350	0%
Telephone	5,763	4,950	4,410	4,500	-9%
Payroll Service	835	720	698	765	6%
Internet Service - web host,domain,dsl	331	450	450	450	0%
Bank Service Fee	4,975	2,700	2,576	2,700	0%
Facility Expense	27,487	28,332	27,487	30,546	8%
Total General and Administrative	70,726	65,592	60,390	70,157	7%

VI. B. WORKERS' COMPENSATION PROGRAM - DETAILED BUDGET

	Prior Year Actual	Current Yr Budget	Current Year Forecast	Proposed Budget	Budget Difference
	2015/16	2016/17	6/30/17	2017/18	% Change
EXPENSE - continued					
Staff Travel and Training					
Staff-Education & Training	1,723	2,250	1,940	2,430	8%
Staff-Travel Cost	5,855	5,400	4,500	5,850	8%
Staff - Vehicle Maintenance	2,479	2,025	2,025	2,925	44%
Total Staff Travel and Training	10,057	9,675	8,465	11,205	16%
Board Expenses					
Board Directors- Travel & Meetings	40,591	25,740	25,739	26,550	3%
Board Directors- Education	-	-	-	5,400	
Total Board Expenses	40,591	25,740	25,739	31,950	24%
Contingency Expense	-	50,000	-	22,500	0%
Capital Expenditures - See pg. 10	-	-	-	31,725	
Non-Cash Expense					
Office - Depreciation	1,878	3,150	1,878	3,150	0%
Total Non-Cash Expense	1,878	3,150	1,878	3,150	0%
TOTAL EXPENSE	4,832,741	6,224,159	5,373,849	6,408,332	3%
NET INCOME	\$ 1,600,326	\$ 143,807	\$ 684,891	\$ 239,508	67%

VI. C. PROPERTY AND BOND PROGRAM - DETAILED BUDGET

	Prior Year Actual	Current Yr Budget	Current Year Forecast	Proposed Budget	Budget Difference
	2015/16	2015/16	6/30/17	2017/18	% Change
INCOME					
Member Contributions					
Property	\$ 1,732,421	\$ 2,005,728	\$ 2,097,657	\$ 2,196,391	10%
Bond	37,138	39,000	71,855	72,000	85%
Other Income	6	-	6	-	
Total Member Contributions	1,769,565	2,044,728	2,169,518	2,268,391	11%
EXPENSE					
Excess Insurance					
Property Ins Premium -PEPIP	1,654,850	1,932,526	2,024,440	2,125,779	10%
Bond Ins Premium	37,138	39,000	71,855	72,000	85%
Total Excess Insurance	1,691,988	1,971,526	2,096,295	2,197,779	11%
Payroll and Benefits					
Employee Salary	33,525	35,391	29,617	33,353	-6%
Merit Increase	-	706	-	750	6%
Accrued Vacation Expense	498	350	350	350	0%
COLA Increase	-	633	-	696	10%
Deferred Compensation	800	875	875	950	9%
Performance Pay	-	750	-	750	0%
Payroll Taxes PARSAC	515	650	487	600	-8%
Medical Benefit	4,412	5,900	4,537	5,900	0%
Ancillary Health Benefits	816	1,250	502	950	-24%
PERS Retirement Cost	7,832	6,918	4,795	7,009	1%
Employee pension withholding	(1,523)	(2,927)	(220)	(2,714)	-7%
Retiree Medical - OPEB	3,740	8,513	6,300	6,420	-25%
Total Payroll and Benefits	50,615	59,008	47,243	55,015	-7%
Consultants					
Computer Consultant	162	300	300	300	0%
Web Develop/Maintenance	398	145	391	145	0%
Legal- General	659	950	705	950	0%
Financial Audit/Accounting	1,160	1,225	1,195	1,263	3%
Total Consultants	2,379	2,620	2,591	2,658	1%
General and Administrative					
Advertising & Promotion	544	300	280	550	83%
Dues	375	75	75	75	0%
Subscriptions	20	30	30	30	0%
Copier Maintenance	46	35	35	36	4%
Computer Cost	325	250	250	250	0%
Repairs & Maintenance	-	25	-	25	0%
Insur Liab Office	412	450	412	450	0%
Employee WC Insurance	987	1,250	987	1,250	0%
Temporary Services	-	-	-	-	0%

VI. C. PROPERTY AND BOND PROGRAM - DETAILED BUDGET

	Prior Year Actual	Current Yr Budget	Current Year Forecast	Proposed Budget	Budget Difference
	2015/16	2015/16	6/30/17	2017/18	% Change
EXPENSE - continued					
Office Expense	431	400	400	413	3%
Printing	171	195	150	238	22%
Postage & Express Mail	170	150	100	150	0%
Telephone	640	550	490	500	-9%
Payroll Service	93	80	78	85	6%
Internet Service-high speed	37	50	50	50	0%
Bank Service Fee	553	300	286	300	0%
Facility Expense	3,054	3,148	3,054	3,394	8%
Total General and Administrative	7,858	7,288	6,678	7,795	7%
Staff Travel and Training					
Staff-Education & Training	191	250	200	270	8%
Staff-Travel Cost	651	600	500	650	8%
Staff - Vehicle Maintenance	275	225	225	325	44%
Total Staff Travel and Training	1,117	1,075	925	1,245	16%
Board Expenses					
Board Directors- Travel & Meetings	4,521	2,860	2,859	2,950	3%
Board Directors- Education	-	-	-	600	
Total Board Expenses	4,521	2,860	2,859	3,550	24%
Non-Cash Expense					
Office - Depreciation	209	350	209	350	0%
Total Non-Cash Expense	209	350	209	350	0%
TOTAL EXPENSE	1,758,687	2,044,728	2,156,799	2,268,391	11%
NET INCOME	\$ 10,878	\$ -	\$ 12,719	\$ -	