



AGENDA
OTSEGO COUNTY BOARD OF ROAD COMMISSIONERS
THURSDAY, MAY 14, 2026, AT 9:00 A.M.

ITEM 1 – CALL TO ORDER/PLEDGE OF ALLEGIANCE

ITEM 2 - ROLL CALL

ITEM 3 – AGENDA CHANGES/APPROVAL OF AGENDA

ITEM 4 – CONSENT CALENDAR

- A. Minutes: The Board approves the Regular Meeting Minutes dated April 9, 2026, and the Special Meeting Minutes dated April 20, 2026.
- B. The Board approves Payroll #7 (\$120,584.00), Payroll #8 (\$92,175.45), and Payroll #9 (\$89,022.12)
- C. The Board approves Accounts Payable: C/4-2 (\$117,935.63), and C/5-1 (\$450,535.61), and the Accounts Payable Check Register dated 4/01/2026 to 4/30/2026.

ITEM 5 – GUEST SPEAKERS

- A. Vredeveld Haefner LLC, Audit Presentation
- B. Paula Wright, Otsego County Treasurer
- C. Neil Drzewiecki, Otsego County Board Liaison

ITEM 6 – PUBLIC COMMENT (AGENDA ITEMS ONLY)

ITEM 7– OLD BUSINESS/UNFINISHED BUSINESS

ITEM 8 – NEW BUSINESS

- A. FY 2025 Audit Report Acceptance
- B. FY 2025 Act 51 Report Acceptance
- C. Equipment Disposal

ITEM 9 – STAFF REPORTS

- A. Managing Director, Engineer of Record, Operations/Engineering Technician, Facilities/Equipment Supervisor, Road Maintenance Supervisor.

ITEM 10 – COMMUNICATIONS

- A. Upcoming OCRC Board Meeting Dates: June 11, 2026

ITEM 11 – PUBLIC COMMENT (GENERAL COMMENTS/ADDRESS THE BOARD)

ITEM 12 – COMMISSIONER COMMENT

ITEM 13 – ADJOURNMENT



Otsego County Road Commission Agenda Item Report

FROM: Rebecca Hilmert, Finance Manager
MEETING DATE: May 14, 2026
AGENDA ITEM: 4 A.B.C
SUBJECT: Consent Calendar

DESCRIPTION

The purpose of the Consent Calendar is to expedite business by grouping non-controversial items together without discussion. Any member of the Commission, staff, or the public may ask that any item on the Consent Calendar be removed and placed elsewhere on the agenda for full discussion. Such requests will be automatically respected.

If an item is not removed from the Consent Calendar, all items listed are approved by a single Commission action approving the Consent Calendar. The Finance Manager recommends the following items be approved:

- A. Minutes: The Board approves the Regular Meeting Minutes dated April 9, 2026, and the Special Meeting Minutes dated April 20, 2026.
- B. The Board approves Payroll: #7 (\$120,584.00), Payroll #8 (\$92,175.45), and Payroll #9 (\$89,022.12).
- C. The Board approves Accounts Payable: C/4-2 (\$117,935.63), and C/5-1 (\$420,535.61) and the Accounts Payable Check Register dated 4/01/2026 to 4/30/2026.

BUDGET ACTION REQUIRED

N/A

LEGAL REVIEW

N/A

SAMPLE MOTION:

Motion to **approve/deny** the May 14, 2026, consent calendar as presented.

UNAPPROVED
MINUTES for the
REGULAR MEETINGS OF THE
OTSEGO COUNTY ROAD COMMISSION
HELD ON THURSDAY, APRIL 9, 2026, AT 9:00 A.M.

ITEM 1 – CALL TO ORDER/PLEDGE OF ALLEGIANCE

- Meeting called to order by Chairman Huff, at 9:00 a.m. and Pledge of Allegiance.

ITEM 2 - ROLL CALL

- Upon roll call, the following Commissioners responded:
Camiller, Present
Gordon, Present
Heinz, Present
Huff, Present

The following staff members were present: Kirk Harrier, Managing Director; Rebecca Hilmert, Finance Manager/Board Secretary; David Fox, Equipment/Facilities Supervisor; Kasi Forrester, Operations/Engineering Technician; Mike Dipzinski, Road Maintenance Supervisor; Stefan Crane, Weighmaster

ITEM 3 – AGENDA CHANGES/APPROVAL OF AGENDA

- Commissioner Gordon requests adding Agenda Item 8.D Fuel Station for discussion.
 - Motion by Heinz to approve the agenda with the requested addition, seconded by Gordon. Four ayes, no nays. Motion carried.

ITEM 4 – CONSENT CALENDAR

- A. Minutes: The Board approves the Regular Meeting Minutes dated March 12, 2026.
 - B. The Board approves Payroll: #5 (\$106,143.42), and Payroll #6 (\$94,788.52).
 - C. The Board approves Accounts Payable: C/3-2 (\$121,120.23) and C/4-1 (\$1,011,219.57), and the Accounts Payable Check Register dated 3/01/2026 to 3/31/2026.
- Motion by Camiller to approve April 9, 2026, Consent Calendar as presented, seconded by Gordon. Four ayes, no nays. Motion carried.

ITEM 5 – GUEST SPEAKERS

- A. Neil Drzewiecki, Otsego County Board of Commissioners – reported that the County will be opening bids for a new court complex on Monday, April 13, 2026, and that there was a water line rupture at the county building this past Tuesday, April 7. Repairs have been made and the county building is open for business.

ITEM 6 – PUBLIC COMMENT

- A. Randy Stultz, Otsego Lake Township – urged the board of the importance of being mindful when appointing a new board member.
- B. Mary Brown, Otsego Lake Clerk – would like the board to consider the township contributions versus the budgets when referencing the cost share of local road projects.
- C. Michelle Noirot, Bagley Township Supervisor – suggests that townships have a seat on the road commission board.

ITEM 7 – OLD BUSINESS/UNFINISHED BUSINESS

- A. None

ITEM 8 – NEW BUSINESS

- A. Road Commission Vacancy Appointment Review/Recommendation
 - a. **Commissioner Gordon to excuse himself from voting due to a potential conflict of interest.**
 - b. **Motion by Heinz to direct Board Secretary to set up interviews with applicants and schedule a special meeting for a later date, seconded by Gordon. Discussion. Four ayes, no nays. Motion carried.**
- B. P26-1 Township Local Roads Cost Share Policy
 - a. Discussion took place between township representatives and the road commissioners regarding township contributions towards local road projects. A project list has been identified for a one-time 50% township/50% road commission split for the 2026/2027 construction season. Once the identified projects have been completed during the 2026/2027 construction season, the cost share for local roads will revert back to the 75% township/25% road commission cost share policy.
 - b. **Motion by Gordon to authorize the Manager to work with the townships to determine local road projects for the 2026/2027 construction season from the identified project list, eligible for the 50% township/50% road commission match. Once the identified projects (see attached list) have been completed during the 2026/2027 construction season, the township cost share will revert to 75% township/25% road commission match per road commission policy, seconded by Camiller. Discussion. Four ayes, no nays. Motion carried.**
- C. 2026 Project Status/Engineering Transition Update – OHM Advisors
 - a. Wayne Schoonover from OHM Advisors gave an update on 2026 planned projects (see attached.)
- D. Fuel Station Discussion
 - a. **Motion by Gordon to direct Management to explore the feasibility of a self-dispensing fuel station, seconded by Heinz. Discussion. Four ayes, no nays. Motion carried.**

ITEM 9 – STAFF REPORTS

- A. Managing Director introduced Kasi Forrester, the new Operations/Engineering Technician. He also attended the annual CRA Highway Conference and was elected to the board Vice-President position.
- B. Finance Manager updated the board on the ongoing audit and Act 51 report.
- C. Facilities/Equipment Supervisor updated the board on equipment repairs and took delivery of new trucks.
- D. Road Maintenance Supervisor gave an update regarding potholes patching and blading gravel roads.
- E. Weighmaster Stefan Crane has been patrolling highly visible routes and roads.

ITEM 10 – COMMUNICATIONS

- A. Upcoming OCRC Board Meeting Dates: May 14, 2026

ITEM 11– PUBLIC COMMENT

- A. Parker Willowby, Little Guys Trash Service – inquired about the road commission’s trash service.
- B. Bonnie Miller, Chester Township Supervisor – inquired about putting speed limit signs on Oley Lake Road between M32 and the “S” curves.
- C. Olivia Smith, Black Bear Golf Course/Association – spoke with the board regarding Beals Road.

ITEM 12– COMMISSIONER COMMENT

- A. Commissioner Huff thanked the township officials for their participation in today’s meeting. He encouraged them to attend more meetings in the future!

ITEM 13 – ADJOURNMENT

- **Motion by Gordon to adjourn meeting at 10:57 a.m., seconded by Camiller. Four ayes, no nays. Motion carried.**

Troy Huff, Chairman

Rebecca Hilmert, Board Secretary

OTSEGO COUNTY LOCAL ROAD PROJECT REQUEST FROM TOWNSHIPS

**Estimates, crush & shape = \$350k per mile; overlay \$240K per mile*

- **Otsego Lake Township (Budget \$200,000)**

Opal Lake Rd (Bent Tree Dr to Michaywe), 1.26 miles

Construction Estimate = \$315,000 (overlay)

Engineering Estimate = \$22,900

Total Estimate = \$337,900

75% Twp Contribution = \$253,425

50% Twp Contribution = \$ 168,905

Michaywe Dr (Opal Lake Rd to Autumn Trl), .11 Miles

Autumn Trl (to end cul de sac) .17 miles

Total = .28 Miles

Construction Estimate = \$67,000 (overlay)

Engineering Estimate = \$8,000

Total Estimate = \$75,000

75% Twp Contribution = \$56,250

50% Twp Contribution = \$ 37,500

- **Elmira Township (Budget \$150,000)**

Greenview Dr, Woodside Ln, Golfview Ln, Fairway Dr, 0.85 miles

Construction Estimate = \$204,000 (overlay)

Engineering Estimate = \$15,000

Total Estimate = \$219,000

75% Twp Contribution = \$164,250

50% Twp Contribution = \$ 109,500

- **Corwith Township (Budget N/A)**

Beals Rd – (Alexander Rd to End) .58 miles

Construction Estimate = \$139,200 (overlay)

Engineering Estimate = \$13,300

Total Estimate = \$152,500

75% Twp Contribution = \$114,375

50% Twp Contribution = \$ 76,250

- **Chester Township (Budget \$50,000)**

Island View Dr (Dead End to Shadywoods Ln) .35 miles

Construction Estimate = \$122,500 (crush & shape)

Engineering Estimate = \$11,350

Total Estimate = \$133,850

75% Twp Contribution = \$100,387

50% Twp Contribution = \$ 50,193

- **Hayes Township (Budget \$300,000)**

Mt. Frederick Rd - Nicklaus Dr to Mancelona Rd, 1.75 miles

Construction Estimate = \$420,000 (overlay)

Engineering Estimate = \$13,300

Total Estimate = \$433,300

75% Twp Contribution = \$324,975

50% Twp Contribution = \$ 216,650

- **Livingston Township (Budget \$250,000)**

Brookview, Highpointe, Meadowview, N. & S Mapleleaf, 1.36 miles

Construction Estimate = \$326,400 (overlay)

Engineering Estimate = \$16,100

Total Estimate = \$342,500

75% Twp Contribution = \$256,875

50% Twp Contribution = \$ 162,250

- **Bagley Township (Budget \$150,000)**

E. Dixon Lake Rd (McCoy Rd to Johnson Rd) ,1 mile

Construction Estimate = \$350,000 (Crush & Shape)

Engineering Estimate = \$25,000

Total Estimate = \$375,000

75% Twp Contribution = \$281,250

50% Twp Contribution = \$187,500

- **Charlton Township (Budget \$100,000)**

Rowan Ave, (M32 to Township Park), .16 miles

Construction Estimate = \$38,400 (overlay)

Engineering Estimate = \$6,304

Total Estimate = \$44,704

75% Twp Contribution = \$33,528

50% Twp Contribution = \$ 22,352

- **Dover Township (Budget \$23,700)**

Saving funding for future

Total Estimated Project Costs	Road Commission Funds	50% OCRC Match	25% OCRC Match
\$2,005,400	\$500,000	\$1,002,700	\$501,350

Construction/Construction-Ready Projects:

HSIP 69000-221959: Horizontal Curve warning sign upgrades on various routes. Appearing as Item 21 of the January 9, 2026, Letting, **Give 'em A Brake Safety, LLC** was the confirmed Low Bidder at **\$171,773.50**, 19.51% under the Engineer Estimate of \$213,406.00. There were (3) bidders with the second low bidder, Action Traffic Maintenance, Inc. at \$188,780.16, and third bidder, J. Ranck Electric, Inc. at \$226,373.00. OHM has assume control of this project and has connected with GEAB.

Meridian Rd, 2170' North of Beckett Rd to the Otsego County Line, Charlton Twp, 2.65 miles of crushing & shaping, HMA surfacing, shoulder material, and pavement markings. Contract has been sent to the contractor for electronic signature. Pre-Con is pending. (Team Elmer's bid: \$1,175,747.10. Project completion within 52 calendar days. All paving must be completed by September 21, 2026. The entire project must be completed by November 9, 2026.)

Turtle Lake Rd, M-32 to Wilkinson Rd, Chester Twp, 0.85 miles of crushing & shaping, HMA surfacing, shoulder material, and pavement markings. Contract has been sent to the contractor for electronic signature. Pre-Con is pending. (Payne & Dolan's bid: \$270,959. Project completion within 42 calendar days. All paving must be completed by September 21, 2026. The entire project must be completed by November 9, 2026.)

Kujawa Rd, Goslow Rd to 4350 ft north of Blahowiak Rd, Livingston and Dover Twps, 1.29 miles of crushing & shaping, HMA surfacing, shoulder material, guardrail placement and pavement markings. Contract has been sent to the contractor for electronic signature. Pre-Con is pending. (Payne & Dolan's bid: \$617,241.45. Project completion within 42 calendar days. All paving must be completed by September 21, 2026. The entire project must be completed by November 9, 2026.)

Crapo Lake Rd, Otsego County Line to Old State Rd, Charlton Twp, 4.65 miles of HMA wedging and overlay, shoulder material, and pavement markings. Contract has been sent to the contractor for electronic signature. Pre-Con is pending. (Rieth-Riley Construction's bid: \$778,990. Project completion within 42 calendar days. All paving must be completed by September 21, 2026. The entire project must be completed by November 9, 2026.)

2026 Chip Seal Program, Various roads county-wide totaling 12.35 miles (225,250 syd) of Single Chip and Fog Seal. (Pavement Maintenance Systems' bid: \$700,527.50. Project start after May 15, and completed by September 1, 2026.)

Knoch Rd, Murner Rd to Meecher Rd, Livingston Twp, 0.55 miles of Afton Stone (2,000 tons of 23A spec.) supplying, hauling, and unloading into an OCRC spreader box. OHM has connected with Rieth-Riley and a Pre-Con is pending. (Rieth-Riley Construction's bid: \$41,100. Anticipated start date July, 2026, with start date TBD with successful bidder.)

Gravel Road Stabilization (Dust Control)

Low bidder – Northern A-1/GFL

26% Mineral Brine – Delivered to tank – 325,000 Gal – (Unit Price: \$0.27/gal) - \$87,750.00

26% Mineral Brine – Continuous Application – 325,000 Gal - (Unit Price: \$0.295/gal) - \$95,875.00

- **OHM to assume control?**



Design Projects:

2026 Local Road Program. Project cost estimates have been updated and provided to the townships. Awaiting project approval to begin data collection and log creation.

119518: Kujawa/Seymour Rd. (LAP) Huron Engineering last reported that NEPA should be approved and that it is moving toward a Letting. Latest estimate is \$876,446.50 for this programmed \$738,318 (\$590,654 STP and \$147,664 Local). Huron Engineering will follow this project through the Advertisement and Letting process to be available for any contractor bidding questions, then OHM will assume control. No Letting date yet provided.

JN 222069, Dickerson Rd/Milbocker Rd/McCoy Rd Roundabout (LAP) GI package were submitted to MDOT-LAP Friday, March 20th. Tree cutting, required by April 15th for NEPA, has been scheduled for next week with letters sent out to residents giving advance notice.

JN 222071, McCoy Rd/Krys Rd Roundabout (LAP) GI package were submitted to MDOT-LAP on March 28th. Tree cutting, required by April 15th for NEPA, has been scheduled for next week with letters sent out to residents giving advance notice. MDOT-LAP is coordinating a GI date with P&N.

Mancelona Rd, Hayes Tower Rd to Olmstead Rd, Hayes and Otsego Lake Twps, 4.0 miles of crushing & shaping, HMA surfacing, shoulder material, and pavement markings. Weather has been a deterrent, but field inspection and data collection began yesterday, April 8th. Preliminary estimates:

- Option 1: C&S w/ 3.5" HMA - \$1.76M
- Option 2: 1.5" HMA Mill & Fill with chip-underseal - \$1.085M

Hayes Rd (FY '27 Small Urban Program), M-32 to north of Livingston Blvd (HS drive), 1.42 miles of reconstruction. Programmed at \$420K STU, \$105K Local, for a total \$525K construction. No work has been started.

JN 225812, Thumb Lake Rd (FY '27 RTF #9), West County Line easterly to Old 27, 3.1 miles of reconstruction. Programmed at \$606K STP, \$209,939 State D, and \$706,220 Local, this \$1,522,159 Crush & Shape and HMA Overlay project has design started with Huron Engineering having completed the log project and placing it on hold pending OCRC determination and direction of two (2) culverts on the W. Br. Sturgeon River. OHM scheduled to field review these on 4/8.

JN 225815, Sturgeon Valley Rd (FY '28 RTF #9), Green Timbers Rd to Pickeral Lake Rd, 2.85 miles of reconstruction. Programmed at \$619K STP, \$154,750 Local, this \$773,750 Crush & Shape and HMA Overlay project has been programmed, no design started.

JN 225823, Sturgeon Valley Rd (FY '28 RTF #9), Pickeral Lake Rd to Twin Lakes Rd, 3.54 miles of reconstruction. Programmed at \$632K STP, \$158K Local, this \$790K Crush & Shape and HMA Overlay project has been programmed, no design started.



Future Project Opportunities:

FY 2028 Call for Safety Projects – Applications Due May 1, 2026

- **S Old 27 at Otsego Lake Rd**
 - 20 Crashes over 5 Years
 - 0 fatalities, 2 A injury crashes (6 people had A injuries in those)
 - 7 angle crashes, 4 rear-end, 4 side-swipe, 3 single vehicle , 1 backing, 1 other
 - TOR = 2.35 assuming cost of \$300K and that all crashes qualify - updated cost being worked on
 - Crash history years 2021-2023 with A injuries all having occurred in a single 2021 crash
 - If not approved this year, the 2021 crash data is lost and TOR likely to rise above 10 and not rate well

- **Townline Rd at Van Tyle Rd**
 - 24 crashes over 5 years
 - 0 fatalities, 2 A injury crashes (2 people total)
 - 17 angle crashes, 2 head-on, 2 rear-end
 - TOR = 4.86 assuming cost is \$2M - updated cost being worked on

UNAPPROVED
MINUTES for the
SPECIAL MEETINGS OF THE
OTSEGO COUNTY ROAD COMMISSION
HELD ON MONDAY, APRIL 20, 2026, AT 8:30 A.M.

ITEM 1 – CALL TO ORDER/PLEDGE OF ALLEGIANCE

- Meeting called to order by Chairman Huff, at 8:30 a.m. and Pledge of Allegiance.

ITEM 2 - ROLL CALL

- Upon roll call, the following Commissioners responded:
Camiller, Present
Gordon, Present
Heinz, Present
Huff, Present

The following staff members were present: Rebecca Hilmert, Finance Manager/Board Secretary

ITEM 3 – AGENDA CHANGES/APPROVAL OF AGENDA

- Motion by Heinz to approve the agenda, seconded by Gordon. Four ayes, no nays. Motion carried.

ITEM 4 – PUBLIC COMMENT

- None

ITEM 5 – NEW BUSINESS

- A. Road Commissioner Board Vacancy Interviews
 - a. Commissioner Gordon to abstain from voting due to a potential conflict of interest.
 - b. The board of road commissioners held open interviews with three applicants for the open seat on the county road commission board of commissioners.
 - c. Motion by Heinz to recommend appointment of Thomas Wagar to fill the vacant Otsego County Road Commissioner position with a term expiring 12-31-2030 and direct the Board Secretary to submit the Road Commission Board's recommendation to the County Board of Commissioners for consideration, seconded by Camiller. Discussion. Three ayes, one abstains. Motion carried.

ITEM 6 – ADJOURNMENT

- Motion by Gordon to adjourn meeting at 10:05 a.m., seconded by Heinz. Four ayes, no nays. Motion carried.

Troy Huff, Chairman

Rebecca Hilmert, Board Secretary

Payroll Gross for P/R of 4/2/2026

PR #7

3/30/2026

3/14/2026 to 3/27/2026

Emp Nbr and Name	Regular Hours	Total Hours	Gross Amt
264 Huff III,Russell	0.00	0.00	\$500.00
277 Fox,David	80.00	100.50	\$4,199.64
280 Kwapis,Earl	0.00	0.00	\$500.00
284 Kwapis Jr.,Stanley	0.00	0.00	\$500.00
287 Myers,Joseph	80.00	95.50	\$2,705.15
294 Mench,Steven	80.00	107.00	\$4,569.36
295 Boughner,Alan	80.00	105.00	\$3,235.70
299 Hinton,Justin	80.00	120.00	\$3,997.00
303 Coughlin Jr.,Thomas	80.00	102.50	\$3,032.65
307 Stiles,William	80.00	99.50	\$2,862.35
308 Wcisel,David	80.00	106.50	\$3,256.25
311 Wiley,James	80.00	99.00	\$2,999.75
314 Kucharek,Joseph	80.00	110.00	\$3,658.46
316 Jones,Tianne	80.00	80.00	\$2,244.00
317 Mitchell Jr.,Dennis	80.00	99.50	\$3,362.35
318 Huff,Troy	0.00	0.00	\$409.09
321 Tracey,Benjamin	80.00	105.00	\$3,378.15
323 Falkenhagen,Robert	80.00	102.50	\$3,032.65
326 Heinz,Kathy	0.00	0.00	\$363.64
327 Garlock,Cody	80.00	101.50	\$2,940.95
328 Harrier,Kirk	80.00	80.00	\$4,221.60
329 Gordon,Lukas	0.00	0.00	\$363.64
331 Boettner,Cary	80.00	105.50	\$3,281.47
335 Pettis,Charles	72.00	80.00	\$1,916.00
336 Hilmert,Rebecca	80.00	80.00	\$2,775.20
337 Johnson,Zachary	80.00	115.50	\$3,648.35
338 Coady,Patrick	80.00	101.50	\$3,001.35
342 Alexander,Alexis	80.00	109.00	\$3,392.90
344 Mayle,Michael	80.00	107.00	\$3,314.30
346 Ford,Logan	80.00	109.00	\$3,788.10
347 Joyce,Caleb	80.00	107.00	\$3,209.50
348 Huff,Justin	80.00	111.50	\$3,491.15
349 Mathers,Andrew	80.00	110.50	\$3,451.85
350 Camiller,James	0.00	0.00	\$363.64
351 Nuell,Matthew	80.00	99.25	\$2,852.53
352 O'Rourke,Michael	80.00	104.00	\$3,091.60
353 Carpenter,Amber	80.00	99.50	\$2,862.35
354 Anderson,Drew	80.00	104.50	\$3,558.85
355 Hallenbeck,Kyle	80.00	105.50	\$3,281.45
356 Crane,Stefan	18.50	18.50	\$555.00
357 Dipzinski,Michael	80.00	102.50	\$3,981.25
903 BANK,HORIZON	0.00	0.00	\$8,434.78
Total of Employee checks:	2,650.50	3,384.25	\$120,584.00

Gross Pay by Fund:

	Total
201	120,584.00
Total	120,584.00

Approved: May 14, 2026

Troy Huff, Chairman

Payroll Gross for P/R of 4/16/2026

PR #8

4/14/2026

3/28/2026 to 4/10/2026

Emp Nbr and Name	Regular Hours	Total Hours	Gross Amt
277	Fox,David	80.00	\$3,033.60
287	Myers,Joseph	80.00	\$2,096.00
294	Mench,Steven	80.00	\$3,545.52
295	Boughner,Alan	80.00	\$2,436.60
299	Hinton,Justin	80.00	\$2,116.00
303	Coughlin Jr.,Thomas	80.00	\$2,096.00
307	Stiles,William	80.00	\$2,547.95
308	Wcisel,David	80.00	\$2,096.00
311	Wiley,James	80.00	\$4,050.40
314	Kucharek,Joseph	80.00	\$2,300.00
316	Jones,Tianne	80.00	\$2,244.00
317	Mitchell Jr.,Dennis	80.00	\$2,096.00
318	Huff,Troy	0.00	\$409.09
321	Tracey,Benjamin	80.00	\$2,300.00
323	Falkenhagen,Robert	80.00	\$2,358.00
326	Heinz,Kathy	0.00	\$363.64
327	Garlock,Cody	80.00	\$2,096.00
328	Harrier,Kirk	80.00	\$4,221.60
329	Gordon,Lukas	0.00	\$363.64
331	Boettner,Cary	80.00	\$2,220.00
335	Pettis,Charles	80.00	\$1,916.00
336	Hilmert,Rebecca	80.00	\$2,775.20
337	Johnson,Zachary	80.00	\$2,352.20
338	Coady,Patrick	80.00	\$4,034.40
342	Alexander,Alexis	80.00	\$2,292.50
344	Mayle,Michael	80.00	\$2,305.60
346	Ford,Logan	80.00	\$2,253.20
347	Joyce,Caleb	80.00	\$2,331.80
348	Huff,Justin	80.00	\$2,096.00
349	Mathers,Andrew	80.00	\$2,096.00
350	Camiller,James	0.00	\$363.64
351	Nuell,Matthew	80.00	\$2,096.00
352	O'Rourke,Michael	80.00	\$2,096.00
353	Carpenter,Amber	80.00	\$2,096.00
354	Anderson,Drew	80.00	\$2,096.00
355	Hallenbeck,Kyle	80.00	\$2,220.00
356	Crane,Stefan	29.00	\$870.00
357	Dipzinski,Michael	80.00	\$3,430.00
358	Forrester,Kasi	29.00	\$1,031.82
903	BANK,HORIZON	0.00	\$6,433.05
Total of Employee checks:	2,698.00	2,846.50	\$92,175.45

Gross Pay by Fund:

	Total
201	92,175.45
Total	92,175.45

Approved: May 14, 2026

Troy Huff, Chairman

Payroll Gross for P/R of 4/30/2026

PR #9

4/28/2026

4/11/2026 to 4/24/2026

Emp Nbr and Name	Regular Hours	Total Hours	Gross Amt	
277	Fox,David	80.00	\$3,033.60	
287	Myers,Joseph	80.00	\$2,096.00	
294	Mench,Steven	80.00	\$3,488.64	
295	Boughner,Alan	80.00	\$2,096.00	
299	Hinton,Justin	80.00	\$3,611.20	
303	Coughlin Jr.,Thomas	80.00	\$2,096.00	
307	Stiles,William	80.00	\$2,096.00	
308	Wcisel,David	80.00	\$2,096.00	
311	Wiley,James	80.00	\$2,096.00	
314	Kucharek,Joseph	80.00	\$2,352.63	
316	Jones,Tianne	80.00	\$2,244.00	
317	Mitchell Jr.,Dennis	80.00	\$2,096.00	
318	Huff,Troy	0.00	\$426.09	
321	Tracey,Benjamin	80.00	\$2,300.00	
323	Falkenhagen,Robert	80.00	\$2,096.00	
326	Heinz,Kathy	0.00	\$372.64	
327	Garlock,Cody	80.00	\$2,096.00	
328	Harrier,Kirk	80.00	\$4,221.61	
329	Gordon,Lukas	0.00	\$372.14	
331	Boettner,Cary	80.00	\$2,220.00	
335	Pettis,Charles	80.00	\$1,969.89	
336	Hilmert,Rebecca	80.00	\$2,775.21	
337	Johnson,Zachary	80.00	\$2,096.00	
338	Coady,Patrick	80.00	\$2,096.00	
342	Alexander,Alexis	80.00	\$2,096.00	
344	Mayle,Michael	80.00	\$2,096.00	
346	Ford,Logan	80.00	\$2,096.00	
347	Joyce,Caleb	80.00	\$2,096.00	
348	Huff,Justin	80.00	\$2,096.00	
349	Mathers,Andrew	80.00	\$2,096.00	
350	Camiller,James	0.00	\$366.64	
351	Nuell,Matthew	80.00	\$2,096.00	
352	O'Rourke,Michael	80.00	\$2,096.00	
353	Carpenter,Amber	80.00	\$2,096.00	
354	Anderson,Drew	80.00	\$2,096.00	
355	Hallenbeck,Kyle	80.00	\$2,220.00	
356	Crane,Stefan	27.50	\$825.00	
357	Dipzinski,Michael	80.00	\$3,141.25	
358	Forrester,Kasi	80.00	\$2,846.40	
903	BANK,HORIZON	0.00	\$6,219.18	
Total of Employee checks:		2,747.50	2,796.50	\$89,022.12

Gross Pay by Fund:

	Total
201	89,022.12
Total	89,022.12

Approved: May 14, 2026

Troy Huff, Chairman

Payables Prepay Report
4-27-2026 Insurance/Utilities

Invoice Nbr	Invoice Date	Description	Invoice Amount	Disc Taken	Amount To Pay
Payment Type: ACH					
Vendor: OCRC: Otsego County Road Commission					
3/1/2026-3/31/2026	3/31/2026	HRA Reimbursement	40.00	0.00	40.00
4/14/26-4/20/26	4/19/2026	HRA Reimbursement	374.25	0.00	374.25
4/7/26-4/13/26	4/12/2026	HRA Reimbursement	3,215.26	0.00	3,215.26
Vendor Totals:			3,629.51	0.00	3,629.51
Vendor: SCANSOUR: ScanSource, Inc.					
5500022291	4/20/2026	Telephone Service	388.66	0.00	388.66
Vendor Totals:			388.66	0.00	388.66
Vendor: WATK: Watkins Ross					
99446	4/21/2026	OPEB Audit	1,500.00	0.00	1,500.00
Vendor Totals:			1,500.00	0.00	1,500.00
ACH Grand Totals:			5,518.17	0.00	5,518.17
			3 ACH Vendors		
Payment Type: EFTP					
Vendor: EMPOWER: Empower					
Plan 6369011-02	2/19/2026	Employer Match HCSP	76.52	0.00	76.52
Plan 6369011-02	4/2/2026	Employer Match HCSP	3,143.24	0.00	3,143.24
Plan 6369011-02	4/16/2026	Employer Match HCSP	3,195.03	0.00	3,195.03
Plan 6469011-02	2/19/2026	Employer Match 457	82.26	0.00	82.26
Plan 6469011-02	4/2/2026	Employer Match 457	1,588.81	0.00	1,588.81
Plan 6469011-02	4/16/2026	Employer Match 457	1,240.20	0.00	1,240.20
Vendor Totals:			9,326.06	0.00	9,326.06
Vendor: MIWAM: State of Michigan UIA					
L0158683586	4/14/2026	1st Quarter Unemployment Payments	2,676.00	0.00	2,676.00
Vendor Totals:			2,676.00	0.00	2,676.00
EFTP Grand Totals:			12,002.06	0.00	12,002.06
			2 EFTP Vendors		
Payment Type: Checks					
Vendor: ATTMOBIL: AT&T Mobility					
Check Nbr: 621855					
287318351177X	4/6/2026	Foreman Phones, GPS Units	1,080.67	0.00	1,080.67
287339252526X	4/6/2026	MDOT iPad	72.48	0.00	72.48
Check Totals:			1,153.15	0.00	1,153.15
Vendor: BCN: Blue Care Network of MI					
Check Nbr: 621856					
260970050259	4/7/2026	Health Insurance	62,033.23	0.00	62,033.23
Check Totals:			62,033.23	0.00	62,033.23
Vendor: BURNHAM: Burnham & Flower					
Check Nbr: 621857					
BFG-1655343	4/16/2026	HRA Admin. Fee	22.50	0.00	22.50
Check Totals:			22.50	0.00	22.50
Vendor: CHATERCO: Charter Communications					
Check Nbr: 621858					
0054030010401	4/1/2026	Internet	160.00	0.00	160.00
Check Totals:			160.00	0.00	160.00

Payables Prepay Report
4-27-2026 Insurance/Utilities

Invoice Nbr	Invoice Date	Description	Invoice Amount	Disc Taken	Amount To Pay
Vendor: COUNTYRO: County Road Association					
Check Nbr: 621859					
25260677	4/20/2026	F&HR Conference	145.00	0.00	145.00
Check Totals:			145.00	0.00	145.00
Vendor: DELTADEN: Delta Dental					
Check Nbr: 621860					
RIS0006968386	5/1/2026	Dental Insurance	3,035.72	0.00	3,035.72
Check Totals:			3,035.72	0.00	3,035.72
Vendor: GFLENVIR: GFL Environmental					
Check Nbr: 621861					
656675	3/31/2026	Trash Removal	200.76	0.00	200.76
656698	3/31/2026	Liter Removal	243.40	0.00	243.40
Check Totals:			444.16	0.00	444.16
Vendor: GREATLA: Great Lakes Energy					
Check Nbr: 621862					
100269003	4/15/2026	TL @ Kris/McCoy	61.14	0.00	61.14
Check Totals:			61.14	0.00	61.14
Vendor: HENNLESP: Henn Lesperance PLC					
Check Nbr: 621863					
15750	4/15/2026	Attorney	1,568.00	0.00	1,568.00
Check Totals:			1,568.00	0.00	1,568.00
Vendor: HUMAN: Humana Insurance Co.					
Check Nbr: 621864					
692915203	4/14/2026	Retiree Health Insurance	11,038.79	0.00	11,038.79
Check Totals:			11,038.79	0.00	11,038.79
Vendor: MMSNOW: Mid Michigan Snow & Landscaping Products					
Check Nbr: 621865					
4-27-2026 Traini	4/27/2026	Chain Saw Training	2,500.00	0.00	2,500.00
Check Totals:			2,500.00	0.00	2,500.00
Vendor: MUTOMA: Mutual of Omaha					
Check Nbr: 621866					
002089120308	5/1/2026	L/AD&D/STD/LTD	3,519.96	0.00	3,519.96
Check Totals:			3,519.96	0.00	3,519.96
Vendor: OHMADV: OHM ADVISORS					
Check Nbr: 621867					
101268	4/9/2026	As Needed Engineering	14,505.00	0.00	14,505.00
Check Totals:			14,505.00	0.00	14,505.00
Vendor: SMITHHAU: Smith Haughey Rice & Reogge					
Check Nbr: 621868					
994926	4/14/2026	Attorney	64.00	0.00	64.00
Check Totals:			64.00	0.00	64.00

Payables Prepay Report
4-27-2026 Insurance/Utilities

Invoice Nbr	Invoice Date	Description	Invoice Amount	Disc Taken	Amount To Pav
Vendor: USBANK: US Bank Equipment Finance					
Check Nbr: 621869					
579483181	4/6/2026	Copier	164.75	0.00	164.75
Check Totals:			164.75	0.00	164.75
Checks Grand Totals:		15 Checks	100,415.40	0.00	100,415.40
Grand Totals:		20 ACH Vendors/EFTP Vendors/Che	117,935.63	0.00	117,935.63

Payables Prepay Report
5-14-2026 Board Pay

Invoice Nbr	Invoice Date	Description	Invoice Amount	Disc Taken	Amount To Pay
Payment Type: ACH					
Vendor: ALMA: Alma Tire Service, Inc.					
517022810	4/9/2026	Tire Repairs & Mounting	172.50	0.00	172.50
517022905	4/22/2026	Tires	973.64	0.00	973.64
517022906	4/23/2026	New Tires	973.64	0.00	973.64
517022924	4/23/2026	New Tires	973.64	0.00	973.64
517023019	4/30/2026	New Tires	263.66	0.00	263.66
517023077	5/6/2026	Tire Repair	94.23	0.00	94.23
Vendor Totals:			3,451.31	0.00	3,451.31
Vendor: BSBCOMM: BSB Communications					
INV-02669	4/13/2026	Support Labor	87.50	0.00	87.50
Vendor Totals:			87.50	0.00	87.50
Vendor: DORNBOS: Dornbos Sign, Inc.					
86299	5/1/2026	Adopt A Road Signs	580.01	0.00	580.01
Vendor Totals:			580.01	0.00	580.01
Vendor: ELECTRIC: Electrical Terminal Service, Inc.					
2633170-00	4/27/2026	Bin Stock	167.03	0.00	167.03
Vendor Totals:			167.03	0.00	167.03
Vendor: FEDERALF: Federal Fluid Power, Inc.					
152427	4/21/2026	Hyd, Fuel Hose & Fittings	233.26	0.00	233.26
152530	4/22/2026	Hyd. Hose	222.96	0.00	222.96
Vendor Totals:			456.22	0.00	456.22
Vendor: GFLNA1: GFL Environmental					
LQ03389464	4/14/2026	Waste Water Disposal	2,048.79	0.00	2,048.79
LQ03413928	4/24/2026	Water Test	574.55	0.00	574.55
Vendor Totals:			2,623.34	0.00	2,623.34
Vendor: HENNLESP: Henn Lesperance PLC					
15875	4/30/2026	Legal	64.00	0.00	64.00
Vendor Totals:			64.00	0.00	64.00
Vendor: MIDSTATE: Mid-States Bolt & Screw Co.					
33077002	4/28/2026	Blacktop Cutting Blades	371.90	0.00	371.90
Vendor Totals:			371.90	0.00	371.90
Vendor: NORTHERN: Northern Energy, Inc.					
116661	5/6/2026	Motor Oil & Coolant	491.16	0.00	491.16
117303	4/17/2026	Hyd. Oil	2,248.20	0.00	2,248.20
Vendor Totals:			2,739.36	0.00	2,739.36
Vendor: OCRG: Otsego County Road Commission					
4/21/26-4/27/26	4/26/2026	HRA Reimbursement	740.03	0.00	740.03
4/28/26-5/4/26	5/3/2026	HRA Reimbursement	6,323.54	0.00	6,323.54
Vendor Totals:			7,063.57	0.00	7,063.57
Vendor: PREIN&NE: Prein & Newhof					
95493	4/10/2026	RAB Design Engineering	20,220.50	0.00	20,220.50
Vendor Totals:			20,220.50	0.00	20,220.50
Vendor: RONAUT: RONS AUTO & WRECKER					
162597	4/15/2026	Towing	488.00	0.00	488.00
Vendor Totals:			488.00	0.00	488.00

Payables Prepay Report
5-14-2026 Board Pay

Invoice Nbr	Invoice Date	Description	Invoice Amount	Disc Taken	Amount To Pay
Vendor: SCIBRA: SCIENTIFIC BRAKE & EQUIP.					
0201206690	4/29/2026	Tarp Systems	4,399.02	0.00	4,399.02
0202159062	4/10/2026	Gaskets, Axles, Valves	411.35	0.00	411.35
0202159315	4/15/2026	Misc. Fluids	246.66	0.00	246.66
0202159422	4/17/2026	Mirror & Bin Stock	134.66	0.00	134.66
0202159645	4/21/2026	Bin Stock	49.98	0.00	49.98
0202159985	4/27/2026	Wheel Spacers	265.68	0.00	265.68
0202160030	4/30/2026	Cooler Hose	37.01	0.00	37.01
0202160426	5/4/2026	Air Dryer Filter & Valve	407.89	0.00	407.89
0202160450	5/5/2026	Air Valve	39.51	0.00	39.51
Vendor Totals:			5,991.76	0.00	5,991.76
Vendor: TRUTRA: TRUCK & TRAILER SPECIALTIES					
BJO002882	3/31/2026	New Truck Build-Equipment	169,758.00	0.00	169,758.00
BSO028925	5/1/2026	Sander Augers	6,251.92	0.00	6,251.92
BSO030672	4/9/2026	New Pickup Build	3,403.40	0.00	3,403.40
Vendor Totals:			179,413.32	0.00	179,413.32
Vendor: UNIQUEPA: Unique Paving Materials Corp.					
94141	4/14/2026	Coldpatch	7,740.17	0.00	7,740.17
94167	4/14/2026	Coldpatch	14,436.23	0.00	14,436.23
Vendor Totals:			22,176.40	0.00	22,176.40
Vendor: VALTRU: VALLEY TRUCK PARTS, INC.					
3-1230527	4/9/2026	Steering U-Joints	97.05	0.00	97.05
3-1230536	4/9/2026	Trans Seal	9.13	0.00	9.13
3-1230707	4/29/2026	Axle Vents	91.28	0.00	91.28
3-1230719	4/30/2026	Axle Vents	41.70	0.00	41.70
Vendor Totals:			239.16	0.00	239.16
Vendor: VREDEVEL: VREDEVELD HAEFNER LLC					
7223	4/30/2026	Audit Expense	2,400.00	0.00	2,400.00
Vendor Totals:			2,400.00	0.00	2,400.00
Vendor: WILAUT: WILBER AUTOMOTIVE					
387963	4/14/2026	Spark Plugs, Battery Cleaner	88.69	0.00	88.69
388872	4/22/2026	Wheel Studs & Nuts	250.56	0.00	250.56
389703	4/30/2026	Headlight & Trailer Plug	30.09	0.00	30.09
389827	5/1/2026	Brake Fluid	41.15	0.00	41.15
Vendor Totals:			410.49	0.00	410.49
ACH Grand Totals:		18 ACH Vendors	248,943.87	0.00	248,943.87
Payment Type: EFTP					
Vendor: FIRSTB: First National Bank of Omaha					
1408	4/28/2026	D. Fox	1,630.62	0.00	1,630.62
1603	4/28/2026	K. Forrester	60.00	0.00	60.00
5602	4/28/2026	K. Harrier	410.11	0.00	410.11
8324	4/28/2026	R. Hilmert	15.00	0.00	15.00
9809	4/28/2026	S. Mench	130.34	0.00	130.34
Vendor Totals:			2,246.07	0.00	2,246.07

Payables Prepay Report
5-14-2026 Board Pay

Invoice Nbr	Invoice Date	Description	Invoice Amount	Disc Taken	Amount To Pay
Vendor: MARATHON: WEX BANK					
112237188	4/30/2026	Fuel	1,270.05	0.00	1,270.05
Vendor Totals:			1,270.05	0.00	1,270.05
Vendor: MERS: MERS of Michigan					
00179045-7	4/30/2026	Retirement	79,492.55	0.00	79,492.55
Vendor Totals:			79,492.55	0.00	79,492.55
EFTP Grand Totals:			83,008.67	0.00	83,008.67
			3 EFTP Vendors		
Payment Type: Checks					
Vendor: ADVANCEE: Advance Electric					
Check Nbr: 621870					
434306	4/14/2026	Light for Salt Barn, Trailer Plug	370.12	0.00	370.12
Check Totals:			370.12	0.00	370.12
Vendor: AIRGAS: AIRGAS USA, LLC					
Check Nbr: 621871					
5523536842	3/31/2026	Cylinder Rental	15.20	0.00	15.20
Check Totals:			15.20	0.00	15.20
Vendor: AISCON: AIS Construction/Interstate Billing Service					
Check Nbr: 621872					
T98976	4/30/2026	Shovels	305.82	0.00	305.82
Check Totals:			305.82	0.00	305.82
Vendor: AUTOZONE: AutoZone, Inc.					
Check Nbr: 621873					
02278586248	4/8/2026	Spay Adhesive for Seat	24.95	0.00	24.95
02278597363	4/30/2026	Oil Dry	59.90	0.00	59.90
Check Totals:			84.85	0.00	84.85
Vendor: BEAVERRE: Beaver Research Company					
Check Nbr: 621874					
0395592-IN	5/1/2026	Hand Cleaner	377.61	0.00	377.61
Check Totals:			377.61	0.00	377.61
Vendor: BRADYIND: Brady Industries					
Check Nbr: 621875					
11550503	4/9/2026	Janitorial	130.52	0.00	130.52
11617880	4/23/2026	Janitor Supply	44.87	0.00	44.87
Check Totals:			175.39	0.00	175.39
Vendor: CINTAS: Cintas Corporation #729					
Check Nbr: 621876					
4265337754	4/8/2026	Uniforms, Floor Mats	101.46	0.00	101.46
4266011905	4/15/2026	Uniforms, Floor Mats	97.50	0.00	97.50
4266779674	4/22/2026	Uniforms, Floor Mats	97.50	0.00	97.50
4267515472	4/29/2026	Uniforms, Floor Mats	101.88	0.00	101.88
4268294573	5/6/2026	Uniforms, Floor Mats	163.44	0.00	163.44
Check Totals:			561.78	0.00	561.78
Vendor: CITYOFGA: City of Gaylord					
Check Nbr: 621877					
MCCO-000669-(4/15/2026	Water, Sewer	84.18	0.00	84.18
Check Totals:			84.18	0.00	84.18

Payables Prepay Report
5-14-2026 Board Pay

Invoice Nbr	Invoice Date	Description	Invoice Amount	Disc Taken	Amount To Pay
Vendor: CODYGARL: Cody Garlock					
Check Nbr: 621878					
130068907	5/5/2026	Fur Harvester License	15.00	0.00	15.00
Check Totals:			15.00	0.00	15.00
Vendor: CONSUME: Consumers Energy					
Check Nbr: 621879					
202700367399	4/22/2026	Electricity	2,352.97	0.00	2,352.97
203590302996	4/30/2026	Traffic Lights	53.25	0.00	53.25
Check Totals:			2,406.22	0.00	2,406.22
Vendor: DTEENERG: DTE Energy					
Check Nbr: 621880					
9100 208 4696 C	4/28/2026	Heat	2,813.94	0.00	2,813.94
Check Totals:			2,813.94	0.00	2,813.94
Vendor: GIVEEMAB: Give Em A Brake Safety					
Check Nbr: 621881					
166814	4/28/2026	Temp Rd Work Signs & Brackets	5,919.88	0.00	5,919.88
Check Totals:			5,919.88	0.00	5,919.88
Vendor: HUTSON: Hutson, Inc.					
Check Nbr: 621882					
11249818	5/6/2026	Steering Parts	980.26	0.00	980.26
11250924	5/6/2026	Steering Parts Return	-980.26	0.00	-980.26
Check Totals:			0.00	0.00	0.00
Vendor: J&HFAMIL: Exit 76 Corporation					
Check Nbr: 621883					
CP001165	4/30/2026	Fuel	28,568.84	0.00	28,568.84
Check Totals:			28,568.84	0.00	28,568.84
Vendor: JLHFENCE: JLH Fence					
Check Nbr: 621884					
1814	4/27/2026	Fence Repair: Ice Storm Damage	2,252.00	0.00	2,252.00
Check Totals:			2,252.00	0.00	2,252.00
Vendor: LEWISTON: Lewiston Sand & Gravel					
Check Nbr: 621885					
38447	4/21/2026	23A Gravel	104.95	0.00	104.95
38547	4/30/2026	23A Gravel	14,937.92	0.00	14,937.92
Check Totals:			15,042.87	0.00	15,042.87
Vendor: MARCOR: Marcor Technologies, LLC					
Check Nbr: 621886					
62185	4/13/2026	2nd Quarter Service Agreement	1,200.00	0.00	1,200.00
Check Totals:			1,200.00	0.00	1,200.00
Vendor: MICAT: Michigan CAT					
Check Nbr: 621887					
PD18506449	4/8/2026	Seat Cushion & Shock	1,190.52	0.00	1,190.52
PD18612948	5/6/2026	Water Pump	1,422.92	0.00	1,422.92
PD18613004	5/6/2026	Filters	91.87	0.00	91.87
Check Totals:			2,705.31	0.00	2,705.31

Payables Prepay Report
5-14-2026 Board Pay

Invoice Nbr	Invoice Date	Description	Invoice Amount	Disc Taken	Amount To Pay
Vendor: MIKENWOR: Michigan Kenworth, LLC					
Check Nbr: 621888					
022P203961	4/21/2026	Keys	63.44	0.00	63.44
022P204471	5/4/2026	Clamps	25.08	0.00	25.08
022P204512	5/5/2026	Thermostat	74.76	0.00	74.76
022P204513	5/5/2026	Starter	400.98	0.00	400.98
Check Totals:			564.26	0.00	564.26
Vendor: PETTY: Road Commission Petty Cash					
Check Nbr: 621889					
5/5/2026 Mailbo	5/5/2026	Mailbox Claim	440.00	0.00	440.00
Check Totals:			440.00	0.00	440.00
Vendor: RIERIL: RIETH-RILEY CONSTRUCTION CO., INC.					
Check Nbr: 621890					
5313197	4/17/2026	East Sturgeon Valley Road	2,949.34	0.00	2,949.34
5313197CM	4/17/2026	East Sturgeon Valley Road	-2,949.34	0.00	-2,949.34
5313211	4/20/2026	East Sturgeon Valley Rd	1,877.80	0.00	1,877.80
5313230	4/21/2026	East Sturgeon Valley Rd	1,523.65	0.00	1,523.65
5313256	4/17/2026	East Sturgeon Valley Rd	1,443.16	0.00	1,443.16
5313346	4/29/2026	Hot Patch	412.72	0.00	412.72
Check Totals:			5,257.33	0.00	5,257.33
Vendor: SANISW: Sanisweep, Inc					
Check Nbr: 621891					
119266	4/14/2026	Sweeping	2,000.00	0.00	2,000.00
119267	4/14/2026	Sweeping	1,900.00	0.00	1,900.00
Check Totals:			3,900.00	0.00	3,900.00
Vendor: SHINECLE: Shine Cleaning Service Inc.					
Check Nbr: 621892					
1349	5/1/2026	Rest Area Cleaning	11,479.14	0.00	11,479.14
Check Totals:			11,479.14	0.00	11,479.14
Vendor: STAPLES: Staples					
Check Nbr: 621893					
7009454989	4/9/2026	Office Supply	78.58	0.00	78.58
7009800816	5/6/2026	Office Supply	236.29	0.00	236.29
Check Totals:			314.87	0.00	314.87
Vendor: STOOPS: Stoops Freightliner Western Star					
Check Nbr: 621894					
X316029761:01	4/20/2026	Oil Pan Sump	191.91	0.00	191.91
X316029827:01	4/6/2026	Steering Link	132.99	0.00	132.99
X316029918:01	4/8/2026	Trans Dipstick & Coolant Tank	313.86	0.00	313.86
X316030039:01	4/10/2026	Exhaust Clamp	50.28	0.00	50.28
X316030041:01	4/10/2026	Exhaust Clamps	41.35	0.00	41.35
X316030046:01	4/10/2026	Exhaust Clamp	29.92	0.00	29.92
X316030069:01	4/10/2026	Exhaust Pipe	349.11	0.00	349.11
X316030186:01	4/20/2026	Hood Pivots	476.46	0.00	476.46
X316030230:01	4/17/2026	Suspension Leveling Valves	210.38	0.00	210.38
X316030581:01	4/30/2026	DEF Pump & Belts	1,015.65	0.00	1,015.65

Payables Prepay Report
5-14-2026 Board Pay

Invoice Nbr	Invoice Date	Description	Invoice Amount	Disc Taken	Amount To Pav
Check Totals:			2,811.91	0.00	2,811.91
Vendor: TEFES: TED FESTERLING LLC					
Check Nbr: 621895					
12191	4/27/2026	Sander Bearings	90.24	0.00	90.24
Check Totals:			90.24	0.00	90.24
Vendor: VESOIL: VESCO OIL CORPORATION					
Check Nbr: 621896					
5915776-00	5/6/2026	Parts Waster Solvent	121.25	0.00	121.25
Check Totals:			121.25	0.00	121.25
Vendor: WELLERTR: Weller Truck Parts					
Check Nbr: 621897					
403697967	4/9/2026	Trans Clamp	19.94	0.00	19.94
Check Totals:			19.94	0.00	19.94
Vendor: ZAREQU: ZAREMBA EQUIPMENT, INC.					
Check Nbr: 621898					
205980S	5/6/2026	Air Tank & Cables, Hose	685.12	0.00	685.12
Check Totals:			685.12	0.00	685.12
Checks Grand Totals:		29 Checks	88,583.07	0.00	88,583.07
Grand Totals:		50 ACH Vendors/EFTP Vendors/Chc	420,535.61	0.00	420,535.61

Check Nbr	Check Date	Vendor Name	Net Amount
Automated Clearing House Payments			
ACH	04/27/2026	Otsego County Road Commission	40.00
ACH	04/27/2026	Otsego County Road Commission	3,215.26
ACH	04/27/2026	Otsego County Road Commission	374.25
ACH	04/27/2026	ScanSource, Inc.	388.66
ACH	04/27/2026	Watkins Ross	1,500.00
Automated Clearing House Payments Totals:		1 Payments Listed	5,518.17
Electronic Funds Transfer Payments			
EFTP	04/09/2026	Empower	1,065.22
EFTP	04/09/2026	Empower	1,433.91
EFTP	04/09/2026	Empower	1,182.77
EFTP	04/09/2026	Empower	602.04
EFTP	04/09/2026	Empower	462.04
EFTP	04/09/2026	Empower	602.04
EFTP	04/27/2026	Empower	1,588.81
EFTP	04/27/2026	Empower	3,143.24
EFTP	04/27/2026	Empower	3,195.03
EFTP	04/27/2026	Empower	1,240.20
EFTP	04/27/2026	Empower	76.52
EFTP	04/27/2026	Empower	82.26
EFTP	04/09/2026	First National Bank of Omaha	480.50
EFTP	04/09/2026	First National Bank of Omaha	369.73
EFTP	04/09/2026	First National Bank of Omaha	33.85
EFTP	04/09/2026	First National Bank of Omaha	21.28
EFTP	04/09/2026	First National Bank of Omaha	757.16
EFTP	04/09/2026	WEX BANK	2,742.75
EFTP	04/09/2026	MERS of Michigan	76,838.63
EFTP	04/27/2026	State of Michigan UIA	2,676.00
Electronic Funds Transfer Payments Totals:		20 Payments Listed	98,593.98
Regular Checks Payments			
621809	04/09/2026	Alma Tire Service, Inc.	1,766.85
621810	04/09/2026	Alta Equipment Company	369.64
621811	04/09/2026	AutoZone, Inc.	104.85
621812	04/09/2026	Black River Auto Glass	580.00
621813	04/09/2026	Brady Industries	192.86
621814	04/09/2026	Certified Laboratories	653.98
621815	04/09/2026	Cintas Corporation #729	464.69
621816	04/09/2026	Consumers Energy	54.00
621817	04/09/2026	Dornbos Sign, Inc.	1,679.17
621818	04/09/2026	DTE Energy	5,300.20
621819	04/09/2026	Dwight Goff	2,220.00
621820	04/09/2026	Electrical Terminal Service, Inc.	1,197.05
621821	04/09/2026	ELMIRA OCCUPATIONAL HEALTH & MEDICINE	220.00
621822	04/09/2026	ELT Investments LLC	876.40
621823	04/09/2026	Federal Fluid Power, Inc.	240.82

Check Nbr	Check Date	Vendor Name	Net Amount
621824	04/09/2026	Gaylord Machine & Fabrication, LLC	699.09
621825	04/09/2026	GFL Environmental	3,768.00
621826	04/09/2026	Gilbert Sales & Service, Inc.	480.50
621827	04/09/2026	Rebecca Hilmert	73.23
621828	04/09/2026	Huron Engineering and Surveying, Inc.	38,025.00
621829	04/09/2026	Exit 76 Corporation	70,740.56
621830	04/09/2026	Lawson Products, Inc.	322.48
621831	04/09/2026	Marcor Technologies, LLC	244.28
621832	04/09/2026	Matco Tools	251.41
621833	04/09/2026	McCoy Holdings, LLC	3,889.44
621834	04/09/2026	MCRCSIP	211,428.00
621835	04/09/2026	Mid-States Bolt & Screw Co.	273.75
621836	04/09/2026	Michigan Kenworth, LLC	1,114.18
621837	04/09/2026	Northern Energy, Inc.	254.80
621838	04/09/2026	Otsego County Road Commission	5,069.54
621839	04/09/2026	Prein & Newhof	5,199.25
621840	04/09/2026	RIETH-RILEY CONSTRUCTION CO., INC.	5,429.34
621841	04/09/2026	RONS AUTO & WRECKER	1,761.00
621842	04/09/2026	SCIENTIFIC BRAKE & EQUIP.	1,687.62
621843	04/09/2026	Shine Cleaning Service Inc.	11,479.14
621844	04/09/2026	Staples	179.41
621845	04/09/2026	Steven Mench	150.00
621846 *	04/09/2026	Stoops Freightliner Western Star	
621847 *	04/09/2026	Stoops Freightliner Western Star	
		* Totals For Multi Part Check Nbr: 621847:	532,067.95
621848	04/09/2026	SYLVESTERS	64.00
621849	04/09/2026	Tianne Jones	75.40
621850	04/09/2026	TRUCK & TRAILER SPECIALTIES	3,507.88
621851	04/09/2026	VALLEY TRUCK PARTS, INC.	1,053.25
621852	04/09/2026	VREDEVELD HAEFNER LLC	8,000.00
621853	04/09/2026	Weller Truck Parts	559.05
621854	04/09/2026	WILBER AUTOMOTIVE	859.59
621855	04/27/2026	AT&T Mobility	1,153.15
621856	04/27/2026	Blue Care Network of MI	62,033.23
621857	04/27/2026	Burnham & Flower	22.50
621858	04/27/2026	Charter Communications	160.00
621859	04/27/2026	County Road Association	145.00
621860	04/27/2026	Delta Dental	3,035.72
621861	04/27/2026	GFL Environmental	444.16
621862	04/27/2026	Great Lakes Energy	61.14
621863	04/27/2026	Henn Lesperance PLC	1,568.00
621864	04/27/2026	Humana Insurance Co.	11,038.79
621865	04/27/2026	Mid Michigan Snow & Landscaping Products	2,500.00
621866	04/27/2026	Mutual of Omaha	3,519.96
621867	04/27/2026	OHM ADVISORS	14,505.00
621868	04/27/2026	Smith Haughey Rice & Reogge	64.00

Check Nbr	Check Date	Vendor Name	Net Amount
621869	04/27/2026	US Bank Equipment Finance	164.75
Regular Checks Payments Totals:		61 Payments Listed	1,025,043.05
All Payments Grand Totals:		82 Payments Listed	1,129,155.20

Payment Totals By Fund:

Fund	Net Amount
201	1,129,155.20
Grand Totals	1,129,155.20



Otsego County Road Commission Agenda Item Report

FROM: Rebecca Hilmert, Finance Manager
MEETING DATE: May 14, 2026
AGENDA ITEM: 8. A
SUBJECT: FY 2025 Audit Report Acceptance

DESCRIPTION

Vredeveld Haefner LLC, presented the FY 2025 Audit Report to the Board at the May 14, 2026, meeting. The Audit Report does not become official until the Board accepts the document. This Board action satisfies the requirement.

BUDGET ACTION REQUIRED

N/A

LEGAL REVIEW

N/A

SAMPLE MOTION

Motion to **accept/not accept** the FY 2025 Otsego County Road Commission Audit as prepared by Vredeveld Haefner LLC and presented to the OCRC Board on May 14, 2026.

OTSEGO COUNTY ROAD COMMISSION

(A Component Unit of Otsego County)

Otsego County, Michigan

FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2025



Vredeveld Haefner LLC
CPAs and Consultants

CPAs

OTSEGO COUNTY ROAD COMMISSION
(A Component Unit of Otsego County)

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**OTSEGO COUNTY ROAD COMMISSION
(A Component Unit of Otsego County)**

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Vredeveld Haefner LLC

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INDEPENDENT AUDITORS' REPORT

May 1, 2026

Otsego County Road Commission
Board of Commissioners
Gaylord, Michigan

Report on the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the general fund and the aggregate remaining fund information of the Otsego County Road Commission (the Commission), a component unit of Otsego County, Michigan, as of and for the year ended December 31, 2025, and the related notes to the financial statements, which collectively comprise the Commission's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the general fund and the aggregate remaining fund information, of the Otsego County Road Commission, as of December 31, 2025, and the respective changes in financial position, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Commission and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Commission's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Commission's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Commission's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 5 through 9 and required supplementary information on pages 39 through 41 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who 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 supplementary 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.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Township's basic financial statements. The accompanying general fund schedules and schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the general fund schedules and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated May 1, 2026, on our consideration of the Otsego County Road Commission's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Otsego County Road Commission's internal control over financial reporting and compliance.

Wendell Haefner LLC

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MANAGEMENT'S DISCUSSION AND ANALYSIS

Management's Discussion and Analysis

As management of the Otsego County Road Commission (the Commission), we offer readers of the Commission's financial statements this narrative overview and analysis of the financial activities of the Commission for the fiscal year ended December 31, 2025. We encourage readers to consider the information presented here in conjunction with additional information that is furnished in the financial statements and notes to the financial statements.

Financial Highlights

- Year-end net position of governmental activities was approximately \$61.5 million which is an increase of approximately \$3.75 million over the 2024 balance.
- Ice storm expenses caused a decrease in fund balance and resulted in a transfer to Primary Road fund balance.
- Approximately \$2.5 million was received from FEMA for ice storm expense reimbursements.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the Commission's financial statements. The Commission's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements.

To simplify financial reporting and improve readability, the government-wide financial statements and the fund statements have been combined to report the statement of net position and governmental funds balance sheet on a single page and the statement of activities and governmental funds revenues, expenditures and changes in fund balance on a single page. This report also contains other supplementary information in addition to the basic financial statements themselves.

Note that Otsego County's government-wide financial statements are not presented herein because the Commission is a component unit of the County. The County presents their financial statements in a separately issued annual comprehensive financial report.

Government-wide financial statements. The *government-wide financial statements* are designed to provide readers with an overview of the Commission's finances, in a manner similar to a private-sector business. The government-wide financial statements include only the Commission itself (known as a *special purpose government*). The Commission has no legally separate component units for which the Commission is financially accountable.

The *statement of net position* presents information on all of the Commission's assets and liabilities, with the difference between the two reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Commission is improving or deteriorating.

The *statement of activities* presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., payments on long-term liabilities).

Both of the government-wide financial statements display functions of the Commission that are principally supported by intergovernmental revenues (*governmental activities*). The governmental activities of the Commission include providing construction, repair, maintenance, and snow removal of roads within Otsego County. The Commission does not have any business-type activities.

In this report, financial information for the Commission is reported separately from the financial information presented for Otsego County which reports the Commission as a component unit.

Fund financial statements. A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Commission, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The Commission utilizes and presents a general fund and an OPEB trust fund. The Commission does not utilize proprietary funds.

Governmental funds. *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental funds balance sheet and the governmental funds statement of revenues, expenditures, and changes in fund balance provide a reconciliation to facilitate this comparison between the *governmental funds* and *governmental activities*.

Information is presented in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balance for the general fund which is considered to be major fund.

Fiduciary funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are *not* reflected in the government-wide financial statement because the resources of those funds are *not* available to support the Commission's own programs. The fiduciary funds provide the same type of information as the government-wide financial statements, only in more detail.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information*. Required supplementary information includes this management discussion and analysis, the general fund budgetary comparison schedule and benefit plan schedules.

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the Commission, assets exceeded liabilities by \$61,510,519 at the close of the most recent fiscal year.

The most significant portion of the Commission's net position reflects investment in capital assets (e.g., land, and infrastructure), less any related debt used to acquire those assets that is still outstanding. The Commission's capital assets consist of road infrastructure and capital assets used to construct and maintain this infrastructure; consequently, these assets are *not* available for future spending. Although the Commission investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

	Governmental Activities	
	<u>2025</u>	<u>2024</u>
Assets		
Current assets	\$16,406,136	\$16,995,350
Noncurrent assets		
Capital assets	50,386,613	46,836,063
Total assets	<u>66,792,749</u>	<u>63,831,413</u>
Deferred outflows	<u>144,727</u>	<u>723,770</u>
Liabilities		
Current liabilities	824,195	1,036,213
Long-term liabilities	2,325,545	4,299,290
Total liabilities	<u>3,149,740</u>	<u>5,335,503</u>
Deferred inflows	<u>2,277,217</u>	<u>1,473,179</u>
Net position		
Net capital assets	50,386,613	46,836,063
Restricted	11,123,906	10,910,438
Total net position	<u>\$61,510,519</u>	<u>\$57,746,501</u>

Net position of the Commission increased by \$3,764,018. The increase in net position is primarily the result of the timing difference between when infrastructure is purchased and when depreciation is recorded on the infrastructure and a large decrease in their net pension liability due to an increase in net investment income.

	Governmental Activities	
	<u>2025</u>	<u>2024</u>
Revenue		
Program revenue		
Charges for services	\$ 3,281,223	\$ 2,414,222
Operating grants and contributions	10,279,198	7,845,611
Capital grants and contributions	2,918,620	2,946,314
General revenue		
Interest	513,184	581,621
Gain on sale of capital assets	-	-
Other	68,858	157,962
Total revenue	<u>17,061,083</u>	<u>13,945,730</u>
Expenses		
Public works	13,297,065	9,388,139
Debt service	-	-
Total expenses	<u>13,297,065</u>	<u>9,388,139</u>
Increase (decrease) in net position	3,764,018	4,557,591
Net position, beginning of year, as previously presented	57,746,501	52,964,953
Correction of an error	-	223,957
Net position, beginning of year, as restated	<u>57,746,501</u>	<u>53,188,910</u>
Net position, end of year	<u>\$61,510,519</u>	<u>\$57,746,501</u>

Governmental Activities

During the year the Commission reported approximately 23% of its total expenses for depreciation of capital assets. The remaining 77% of total expenses was for public works activities.

Financial Analysis of the Government’s Funds (General Fund)

As noted earlier, the Commission uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds. The focus of the Commission’s *general fund* is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing the Commission’s financing requirements. In particular, *fund balance* may serve as a useful measure of a government’s net resources available for spending at the end of the fiscal year. As of the end of the current fiscal year, the Commission’s general fund reported ending fund balance of \$13,884,053, a decrease of \$642,098 in comparison with the prior year. This decrease is primarily the result of approximately \$3.3 million of ice storm clean up expenses, which was offset by approximately \$2.5 million in federal grants to assist with the clean up.

The General fund is the chief operating fund of the Commission. At the end of the current fiscal year, the general funds largest component of fund balance included unassigned fund balance of \$11,267,096. As a measure of the General fund’s liquidity, it is important to note that the general fund operates primarily on operating and capital grant funding.

General Fund Budgetary Highlights

- Revenues:
 - State trunkline maintenance was less than anticipated
 - Interest income exceeded estimates
- Expenditures:
 - The Commission’s expenditures were relatively close to the amounts budgeted

Capital Asset and Debt Administration

Capital Assets. The Commission’s investment in capital assets for its governmental activities as of December 31, 2025 amounted to \$50,386,613 (net of accumulated depreciation).

Significant capital asset additions during the year include the following:

- \$3,501,916 million of primary road construction and heavy maintenance
- \$1,858,671 of local road construction and heavy maintenance
- \$1,224,327 of road equipment

The Commission’s capital assets (net of depreciation) are summarized as follows:

	Governmental Activities
Land, right-of-way and construction in progress	\$13,523,841
Property and equipment, net	3,469,583
Infrastructure, net	<u>33,393,189</u>
Total	<u>\$50,386,613</u>

Additional information on the Commission’s capital assets can be found in Note 4 of this report.

Debt. At the end of the current fiscal year, the Commission had outstanding long-term debt as follows:

	Governmental Activities
Compensated absences	<u>\$265,265</u>

Economic Factors and Next Year's Budgets and Rates

The following factors were considered in preparing the Commission's budget for the 2026 fiscal year:

- Stable MTF revenue
- Continued township contributions for local projects
- Continued countywide millage revenue
- Accumulated fund balance included in investment and depository accounts

Requests for Information

This financial report is designed to provide a general overview of the Commission's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Otsego County Road Commission, Managing Director, 669 W. McCoy Road, P.O. Box 537, Gaylord, MI 49735.

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BASIC FINANCIAL STATEMENTS

OTSEGO COUNTY ROAD COMMISSION
(a Component Unit of Otsego County)

STATEMENT OF NET POSITION AND GOVERNMENTAL FUNDS BALANCE SHEET

DECEMBER 31, 2025

	General Fund	Adjustments	Statement of Net Position
Assets			
Cash and investments	\$ 9,198,910	\$ -	\$ 9,198,910
Receivables			
State trunkline maintenance	377,860	-	377,860
Due from local units of government	1,513,427	-	1,513,427
Due from federal government	2,526,129	-	2,526,129
Motor vehicle highway funds	1,207,119	-	1,207,119
Other	241,201	-	241,201
Inventories			
Equipment, material, and parts	369,289	-	369,289
Road materials	633,855	-	633,855
Prepaid insurance	141,943	-	141,943
Net OPEB asset	-	196,403	196,403
Capital assets			
Land and improvements, right-of-way and construction in progress	-	13,523,841	13,523,841
Property and equipment, net	-	3,469,583	3,469,583
Infrastructure, net	-	33,393,189	33,393,189
Total assets	16,209,733	50,583,016	66,792,749
Deferred outflow related to pension plan	-	144,727	144,727
Liabilities			
Accounts payable	217,732	-	217,732
Accrued liabilities	189,543	-	189,543
Advances			
State trunkline equipment purchase	332,804	-	332,804
State trunkline maintenance	84,116	-	84,116
Noncurrent liabilities			
Net pension liability	-	2,060,280	2,060,280
Compensated absences	-	265,265	265,265
Total liabilities	824,195	2,325,545	3,149,740
Deferred inflows of resources			
Taxes levied for subsequent period	1,501,485	-	1,501,485
Deferred inflow related to pension plan	-	597,595	597,595
Deferred inflow related to OPEB	-	178,137	178,137
Total deferred inflows of resources	1,501,485	775,732	2,277,217
Fund balance			
Non-spendable			
Inventory	1,003,144	(1,003,144)	-
Prepaid	141,943	(141,943)	-
Restricted			
Local roads	1,471,870	(1,471,870)	-
Unassigned	11,267,096	(11,267,096)	-
Total fund balance	13,884,053	(13,884,053)	-
Total liabilities, deferred inflows and fund balance	<u>\$ 16,209,733</u>		
Net position			
Net investment in capital assets		50,386,613	50,386,613
Restricted for road system		11,123,906	11,123,906
Total net position		\$ 61,510,519	\$ 61,510,519

The accompanying notes are an integral part of these financial statements.

OTSEGO COUNTY ROAD COMMISSION
(a Component Unit of Otsego County)

**RECONCILIATION OF FUND BALANCE ON THE BALANCE SHEET
FOR GOVERNMENTAL FUNDS TO NET POSITION OF
GOVERNMENTAL ACTIVITIES ON THE STATEMENT OF NET POSITION**

DECEMBER 31, 2025

Fund balances - total governmental funds	\$ 13,884,053
Amounts reported for <i>governmental activities</i> in the statement of net position are different because	
Long-term assets and deferred outflows in governmental activities are not current financial resources and therefore are not reported in the funds.	
Add - capital assets (net)	50,386,613
Add - deferred outflows related to net pension liability	144,727
Certain liabilities, such as bonds, installment purchase agreements, compensated absences, and claims payable, are not payable in the current period and therefore are not reported in the funds.	
Deduct - compensated absences payable	(265,265)
Deduct - net pension liability	(2,060,280)
Add - other post-employment benefit asset	196,403
Deduct - deferred inflows related to net pension liability	(597,595)
Deduct - deferred inflows related to OPEB	<u>(178,137)</u>
Net position of governmental activities	<u>\$ 61,510,519</u>

The accompanying notes are an integral part of these financial statements.

OTSEGO COUNTY ROAD COMMISSION
(a Component Unit of Otsego County)

STATEMENT OF ACTIVITIES AND GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES

FOR THE YEAR ENDED DECEMBER 31, 2025

	<u>General Fund</u>	<u>Adjustments</u>	<u>Statement of Activities</u>
Expenditures/expenses			
Public works	\$ 12,342,594	\$ 954,471	\$ 13,297,065
Capital outlay	<u>5,360,587</u>	<u>(5,360,587)</u>	<u>-</u>
Total expenditures/expenses	<u>17,703,181</u>	<u>(4,406,116)</u>	<u>13,297,065</u>
Program revenues			
Charges for services			
State trunkline maintenance	1,659,027	-	1,659,027
State trunkline nonmaintenance	1,555,837	-	1,555,837
Other charges	66,359	-	66,359
Operating grants and contributions			
State transportation funds	7,753,069	-	7,753,069
FEMA disaster relief	2,526,129	-	2,526,129
Capital grants and contributions			
Federal and state sources	939,520	-	939,520
Local units of government	522,945	-	522,945
County millage	<u>1,456,155</u>	<u>-</u>	<u>1,456,155</u>
Net program revenue	<u>16,479,041</u>	<u>-</u>	<u>16,479,041</u>
General revenue			
Salvage sales	2,715	-	2,715
Interest	513,184	-	513,184
Other	<u>66,143</u>	<u>-</u>	<u>66,143</u>
Total general revenue	<u>582,042</u>	<u>-</u>	<u>582,042</u>
Total revenues and other financing sources	<u>17,061,083</u>	<u>-</u>	<u>17,061,083</u>
Change in fund balance/net position	(642,098)	4,406,116	3,764,018
Fund balances/net position, beginning of year	<u>14,526,151</u>	<u>43,220,350</u>	<u>57,746,501</u>
Fund balances/net position, end of year	<u>\$ 13,884,053</u>	<u>\$ 47,626,466</u>	<u>\$ 61,510,519</u>

The accompanying notes are an integral part of these financial statements.

OTSEGO COUNTY ROAD COMMISSION
(a Component Unit of Otsego County)

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES**

FOR THE YEAR ENDED DECEMBER 31, 2025

Net changes in fund balances - general fund	\$ (642,098)
<p>Amounts reported for <i>governmental activities</i> in the statement of activities are different because</p> <p>Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets are allocated over their estimated useful lives and reported as depreciation expense.</p>	
Add - capital outlay	6,588,326
Deduct - depreciation expense	(3,037,776)
<p>Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the funds.</p>	
Deduct - increase in compensated absences	(38,800)
Add - decrease in net OPEB liability	652,373
Deduct - decrease in deferred outflows related to net OPEB liability	(32,845)
Deduct - increase in deferred inflows related to net OPEB liability	(178,137)
Add - decrease in net pension liability	1,556,575
Deduct - decrease in deferred outflows related to net pension liability	(546,198)
Deduct - increase in deferred inflows related to net pension liability	<u>(557,402)</u>
Change in net position of governmental activities	<u>\$ 3,764,018</u>

The accompanying notes are an integral part of these financial statements.

OTSEGO COUNTY ROAD COMMISSION
(a Component Unit of Otsego County)

FIDUCIARY FUND
STATEMENT OF FIDUCIARY NET POSITION

DECEMBER 31, 2025

	Other Post-employment Benefit <u>Trust Fund</u>
Assets	
Investments	
Mutual funds	\$ 3,174,008
Total assets	<u>3,174,008</u>
Liabilities	
Accounts payable	<u>240,928</u>
Total liabilities	<u>240,928</u>
Net position	
Net position restricted for OPEB	\$ <u>2,933,080</u>

The accompanying notes are an integral part of these financial statements.

OTSEGO COUNTY ROAD COMMISSION
(a Component Unit of Otsego County)

FIDUCIARY FUND
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION

FOR THE YEAR ENDED DECEMBER 31, 2025

	Other Post-employment Benefit Trust Fund
Additions	
Investment earnings	
Interest	\$ 416,672
Total additions	<u>416,672</u>
Deductions	
Benefit payments	240,928
Administrative expense	<u>6,241</u>
Total deductions	<u>247,169</u>
Changes in net position	<u>169,503</u>
Net position, beginning of year	2,763,577
Net position, end of year	<u>\$ 2,933,080</u>

The accompanying notes are an integral part of these financial statements.

OTSEGO COUNTY ROAD COMMISSION
(a Component Unit of Otsego County)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2025

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the Otsego County Road Commission (the Commission) conform to generally accepted accounting principles as applicable to governments. The following is a summary of the significant policies.

Reporting Entity

The Otsego County Road Commission is a discretely presented component unit of Otsego County, Michigan. The Commission was established pursuant to (MCL 224.1), and is governed by a five member Board of County Road Commissioners appointed by the Otsego County Board of Commissioners.

The criteria established under generally accepted accounting principles for determining the reporting entity includes a significant operational or financial relationship with another entity. Based on the above criteria, these financial statements present all funds of the Otsego County Road Commission. The Commission has no component units.

The Commission general fund is used to control the expenditures of Michigan Transportation Fund monies and other grants and charges, which are earmarked by law for street and highway purposes. The Board of County Road Commissioners has responsibility for the administration of the Commission.

Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the governmental activities of the special purpose government (the Commission). *Governmental activities* are reported in total. The Commission has no business-type activities.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Internally dedicated resources are reported as general revenues rather than as program revenues.

A combined financial statement is provided for the governmental funds balance sheet and the statement of net position as well as the governmental funds statement of revenues, expenditures and changes in fund balance and the statement of activities. The General fund is considered to be a major fund for financial reporting purposes. Fiduciary fund financial statements are presented separately from governmental activities as these assets are held in trust for retiree other post-employment benefits and not available for Commission operations.

The Commission reports the following major governmental fund:

The *General Fund* is the government's only operating fund. It accounts for all current financial resources of the government activities.

OTSEGO COUNTY ROAD COMMISSION
(a Component Unit of Otsego County)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2025

Additionally, the Commission reports the following fund type:

The *Other Post-Employment Benefit Fund (a fiduciary fund)* is used to account for the accumulation and disbursement of assets held in trust for retiree other post-employment benefits.

Measurement Focus and Basis of Accounting

The government-wide financial statements and fiduciary fund financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are 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.

Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

The general fund is accounted for using the modified accrual basis of accounting. Revenues are recognized when they become measurable and available. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period, except for charges for services, interest and grant revenues which use one year. County millage is a property tax levied and collected by Otsego County which is recognized as revenue when received by the Commission. Expenditures are generally recognized under the modified accrual basis of accounting when the related liability is incurred. Exceptions to this general rule include compensated absences, claims, unfunded benefit plan balances and deferred items and principal and interest on long-term debt which are recognized when due.

The general fund is accounted for on a spending or “flow of current financial resources” measurement focus. This means that only current assets and current liabilities are generally included on their balance sheets. Their reported fund balance is considered a measure of “available, spendable resources”.

The general fund operating statement presents increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Accordingly, it is said to present a summary of sources and uses of “available, spendable resources” during a period.

Budgets and Budgetary Accounting

The Commission’s procedures for establishing budgetary data are as follows:

- The Managing Director submits a proposed budget for the upcoming year to the Commission.
- The budget is reviewed by the Commission and a public hearing is held. Prior to the beginning of the year, the budget is adopted by the Commissioners.
- The budget for the General Fund is adopted on a basis consistent with generally accepted accounting principles (GAAP). Budget amounts shown in the financial statements consist of those amounts contained in the original and amended budget. The budget was amended.
- The Commission adopts a budget for the general fund, by means of an appropriations act, on an activity basis in summary form.
- Periodic internal reporting is on a detail basis in accordance with the state-prescribed uniform chart of accounts. The budget is prepared on the modified accrued basis of accounting.
- All amendments to the budget require the approval of the Commissioners. The legal level of budgetary control for the Commission is at the activity level.

OTSEGO COUNTY ROAD COMMISSION
(a Component Unit of Otsego County)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2025

Cash and Investments

Cash and investments consist of the balance of cashing, check, savings, certificates of deposit, investment and mutual fund accounts. The Commission has several depository accounts in its name with remaining depository and investment accounts managed by and held in the name of Otsego County. Michigan law and Commission policy authorizes the Commission to invest in:

- a. Bond, securities, other obligations and repurchase agreements of the United States, or an agency or instrumentality of the United States.
- b. Certificates of deposit, savings accounts, deposit accounts or depository receipts of a qualified financial institution.
- c. Commercial paper rated at the time of purchase within the two highest classifications established by not less than two standard rating services and that matures not more than 270 days after the date of purchase.
- d. Bankers' acceptances of United States banks.
- e. Obligations of the State of Michigan and its political subdivisions that, at the time of purchase are rated as investment grade by at least one standard rating service.
- f. Mutual funds registered under the Investment Company Act of 1940 with the authority to purchase only investment vehicles that are legal for direct investment by a public corporation.
- g. External investment pools as authorized by Public Act 20 as amended.
- h. The OPEB trust funds can also invest in corporate debt and equity securities.

The Otsego County investment policy allows for the above investments with restrictions on maturity and maximum portfolio percentages.

Receivables

Receivables consist primarily of the balance of gas and weight tax and trunkline maintenance fees due from the State of Michigan, balances due from the county for shared property taxes and balances due from local units of government for services provided. These balances are reported net of estimated uncollectible balances (estimated uncollectible balances were zero at year-end).

Inventory

Inventory, consisting of various operating parts, supplies, and road material is stated at the lower of cost or market, using the FIFO (first-in, first-out) method.

Capital Assets

Capital assets, which include land, property, equipment, and infrastructure are reported in the governmental activities column in the government-wide financial statements.

Capital assets are defined by the government as assets with an initial, individual cost of more than \$1,000 and an estimated useful life in excess of two years. Such assets are valued at cost where historical records are available and at estimated historical cost where no historical records exist.

OTSEGO COUNTY ROAD COMMISSION
(a Component Unit of Otsego County)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2025

Donated capital assets are valued at acquisition value (the price that would be paid to acquire an asset with equivalent service potential in an orderly market transaction) on the date received. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Improvements are capitalized and depreciated over the remaining useful lives of the related capital assets, as applicable.

Depreciation on capital assets is computed using the Michigan Department of Transportation depreciation schedules for equipment and the straight-line method for infrastructure over the following estimated useful lives:

	<u>Years</u>
Buildings and improvements	30-50
Equipment	3-10
Infrastructure	8-50

Compensated Absences

The Commission recognizes a liability for compensated absences for leave time that (1) has been earned for services previously rendered by employees, (2) accumulates and is allowed to be carried over to subsequent years, and (3) is more likely than not to be used as time off or settled during or upon separation from employment. The liability for compensated absences is recognized in the government-wide financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements. The liability for compensated absences includes salary-related benefits, where applicable.

Advances

Advances consist of monies provided by the Michigan Department of Transportation (MDOT) to provide cash flow to finance equipment and services provided by the Commission on MDOT trunkline designated roads. The cost of equipment and services provided on trunk line roads is billed to the MDOT periodically.

Long-Term Obligations

In the government-wide financial statements the long-term debt and other long-term obligations are reported as liabilities in the governmental activities statement of net position. Where applicable, premiums and discounts, are deferred and amortized over the life of the long-term debt using the effective interest method.

In the fund financial statements, governmental fund types recognize premiums, discounts and issuance costs during the year of issuance. The face amount of debt issued and any premiums received are reported as other financing sources. Discounts on debt issuances are reported as other financing uses. Issuance costs are reported as public works expenditures/expenses regardless of fund or activity.

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/ expenditure) until then. The Commission has items that qualify for reporting in this category related to certain employee benefit plans discussed in note 7.

OTSEGO COUNTY ROAD COMMISSION
(a Component Unit of Otsego County)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The government has items that qualify for reporting in this category. Governmental funds report deferred inflows for unavailable county property taxes levied for the following year; in addition, governmental activities report deferred inflows related to employee benefit plans discussed in note 7 and 8. The County property tax amounts are deferred and recognized as an inflow of resources in the period for which they are levied.

Net Position and Fund Balance Reporting

Governmental funds report fund balance in the following five categories:

1. Non-spendable - the related asset's form does not allow expenditure of the balance. The assets are either (a) not in a spendable form or (b) legally or contractually required to be maintained intact. Nonspendable fund balance would be equal to inventory, prepaid items, non-current financial assets, and the nonspendable portion of endowments.
2. Restricted - the related assets can only be spent for the specific purposes stipulated by constitution, external resource providers, or as identified in enabling legislation.
3. Committed - the related assets can only be spent for a specific purpose identified by formal resolution of the governing board.
4. Assigned - the related assets can only be spent for a specific purpose but do not meet the criteria to be classified as committed.
5. Unassigned - is the residual classification and includes all spendable amounts not contained in the other classifications.

The Commission has not delegated the authority to assign fund balance. Only the Commission can assign or commit fund balance.

Net Position and Fund Balance Flow Assumptions

Sometimes the government will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted – net position/fund balance and unrestricted – net position/fund balance, a flow assumption must be made about the order in which the resources are considered to be applied. It is the government's policy to use restricted resources first, then unrestricted resource as they are needed. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Municipal Employees Retirement System (MERS) of Michigan and additions to/deductions from MERS' fiduciary net position have been determined on the same basis as they are reported by MERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

OTSEGO COUNTY ROAD COMMISSION
(a Component Unit of Otsego County)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2025

2. EXCESS OF EXPENDITURES OVER APPROPRIATIONS IN BUDGETARY FUNDS

State law provides that the Commission shall not incur expenditures in excess of the amount appropriated for the general fund. In the body of the financial statements, the Commission's actual expenditures and budgeted expenditures for the general fund have been shown on a activity basis.

During the year the Commission incurred expenditures in the general fund which were in excess of the amounts appropriated as follows:

	<u>Amended Budget</u>	<u>Actual</u>	<u>Variance</u>
General fund			
Administrative/engineering expenditures, net	\$ 461,928	\$ 462,205	\$ (277)

3. CASH AND INVESTMENTS

The cash and investment balances reported on the financial statements are either held in the Commission's name or Otsego County's name. Investments and certificates of deposit (excluding OPEB trust investments held in the Commission's OPEB trust's name) are held in Otsego County's name and may be allocated to both County and Commission funds. Balance held at year end are as follows:

	<u>Cash and Investments</u>
Governmental funds	
Held in the name of the Commission	
Petty Cash	\$ 500
Deposits	90,105
Held in the name of Otsego County	
Deposits	540,906
Investments	8,567,399
Fiduciary fund	
Held in the name of the Commission/OPEB trust	
investments	3,174,008
Total	<u>\$12,372,918</u>

Deposits

The deposits are in financial institutions located in Michigan in varying amounts. State law and Commission policy limits the Commission's investing options to financial institutions located in Michigan. They are recorded in Commission records at fair value. Interest is recorded when earned.

Deposit risk

Custodial Credit Risk - Deposits. Custodial credit risk is the risk that in the event of a bank failure, the Commission's deposits may not be returned. State law does not require, and the Commission does not have, a policy for deposit custodial credit risk. As of year-end, \$684,112 of the Commission's bank balance of \$934,112 was exposed to custodial credit risk because the balance was uninsured and uncollateralized. As of year-end the Commission's exposure to custodial credit risk on deposits held in Otsego County's name can be determined for Otsego County as a whole, but cannot be separately identified for the Commission.

OTSEGO COUNTY ROAD COMMISSION
(a Component Unit of Otsego County)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2025

Investments

The Commission chooses to disclose its investments by specifically identifying each. Investments held in Otsego County's name are allocated to County and Commission funds at original purchase cost with any unrealized gain or lost being allocated to County internal service funds. Investments held in the County's name may be moved between County and Commission funds to maintain liquidity. As of year-end, the Commission's investments were as follows:

	<u>Maturity</u>	<u>Book Value</u>	<u>Rating</u>	<u>Source</u>
Held in Otsego County's name				
Michigan Class	N/A	\$ 8,567,399	AAAm	S&P
Held in Commission/OPEB trust's name				
MERS total market portfolio	N/A	3,174,008	Unrated	
Total		<u>\$11,741,407</u>		

Investment risk

Interest Rate Risk. State law, Otsego County and the Commission's policy limit the allowable investments and the maturities of some of the allowable investments as identified in Note 1, the summary of significant accounting policies. Otsego County's investment policy does have specific limits in excess of state law on investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. Otsego County's investment policy limits the maximum US Agency investment duration to 7 years which is exceeded for some investments held in Otsego County's name. There is no stated maturity date for the Commission's investment in Michigan Class and the MERS funds identified above.

Credit Risk. State law limits investments to specific government securities, certificates of deposits and bank accounts with qualified financial institutions, commercial paper with specific maximum maturities and ratings when purchased, bankers acceptances of specific financial institutions, qualified mutual funds and qualified external investment pools as identified in Note 1, the summary of significant accounting policies. Otsego County's investment policy does not have specific limits in excess of state law on investment credit risk. The rating for select (excluding pooled investments) fixed income investments is identified above for investments held at year-end.

Custodial Credit Risk - Investments. For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the Commission will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. State law does not require, and Otsego County does have, a policy for investment custodial credit risk. Of the above investments held in the name of Otsego County custodial credit risk exposure cannot be determined for the Commission as the securities are not held in the Commission name. Of the above investments held in the name of the Commission custodial credit risk exposure cannot be determined because the investments do not consist of specifically identifiable securities.

Concentration of Credit Risk. State law limits allowable investments but does not limit concentration of credit risk as identified in Note 1, the summary of significant accounting policies. Otsego County's does have specific limits in excess of state law on concentration of credit risk. Compliance with the County policy can only be determined for the County as a whole. The Commission's investment policy does not have specific limits in excess of state law on concentration of credit risk. All investments held at year-end are reported above.

OTSEGO COUNTY ROAD COMMISSION
(a Component Unit of Otsego County)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2025

The Commission categorizes its fair value measurements of investments 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.

The Commission has the following recurring fair value measurements as of year-end.

- The Commission does not have any investments that report fair value using quoted market prices (Level 1 inputs).
- All investments are valued using a pricing model utilizing observable fair value measures of fund investments and other observable inputs to determining the fair value of the securities making up the of investment fund (Level 2 inputs).
- The Commission does not have any investments that report fair value based on significant unobservable inputs (Level 3 inputs).

4. LONG-TERM DEBT

The following is a summary of long-term debt activity and balances of the Commission for the year:

	<u>Balance January 1, 2025</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance December 31, 2025</u>	<u>Due Within One Year</u>
Governmental Activities					
Compensated absences *	\$226,465	\$38,800	\$ -	\$265,265	\$ -

* The change in compensated absences is presented as a net change.

5. RISK MANAGEMENT

The Commission is exposed to lawsuits, claims, torts, destruction of assets and errors and omissions. In response to this exposure, the Commission participates in the Michigan County Road Commission Self Insurance Pool (MCRCSIP). Participation in the MCRCSIP requires payment of premiums to the pool. The pool purchases commercial reinsurance on behalf of its members. Due to the Commission's participation in this pool, the liability of the Commission relative to claims covered by the pool is limited to from \$1,000 to \$2,000 per occurrence. The maximum limit for pool liability for each claim is \$10,500,000.

The Commission is part of a group fund for worker's compensation coverage through the County Road Association Self-Insurance Fund (CRASIF). Through the membership of this group fund, the Commission's liability is covered up to \$1,000,000 per employee.

Settled claims for the Commission have not exceeded coverage during the past three years. There have been no significant reductions in insurance coverage during the past year.

OTSEGO COUNTY ROAD COMMISSION
(a Component Unit of Otsego County)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2025

6. CAPITAL ASSETS

Capital asset activity for the year was as follows:

	<u>Balance</u> <u>January 1,</u> <u>2025</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>December 31,</u> <u>2025</u>
Governmental Activities				
Capital assets, not being depreciated				
Land	\$ 125,501	\$ -	\$ -	\$ 125,501
Land Improvements - Infrastructure	13,398,340	-	-	13,398,340
Total capital assets, not being depreciated	13,523,841	-	-	13,523,841
Capital assets, being depreciated				
Buildings	4,305,731	-	-	4,305,731
Road equipment	10,210,800	1,224,327	-	11,435,127
Shop equipment	97,486	-	-	97,486
Office equipment	46,844	3,412	-	50,256
Engineers' equipment	8,583	-	-	8,583
Yard and storage equipment	1,800	-	-	1,800
Traffic Signals	49,557	-	-	49,557
Infrastructure				
Bridges	1,446,834	-	-	1,446,834
Roads	49,591,394	5,360,587	-	54,951,981
Total capital assets, being depreciated	65,759,029	6,588,326	-	72,347,355
Less accumulated depreciation for:				
Buildings	2,568,643	122,760	-	2,691,403
Road Equipment	8,859,485	724,391	-	9,583,876
Shop equipment	95,681	644	-	96,325
Office equipment	46,844	569	-	47,413
Engineers' equipment	8,583	-	-	8,583
Yard and storage equipment	1,800	-	-	1,800
Traffic Signals	47,609	293	-	47,902
Infrastructure				
Bridges	532,077	36,237	-	568,314
Roads	20,286,085	2,152,882	-	22,438,967
Total accumulated depreciation	32,446,807	3,037,776	-	35,484,583
Net capital assets, being depreciated	33,312,222	3,550,550	-	36,862,772
Governmental Activities capital assets, net	\$46,836,063	\$3,550,550	\$ -	\$50,386,613

Depreciation expense was charged to the public works function during the year.

OTSEGO COUNTY ROAD COMMISSION
(a Component Unit of Otsego County)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2025

7. RETIREMENT PLANS

Plan Description

The employer's defined benefit pension plan provides certain retirement, disability and death benefits to plan members and beneficiaries. The employer participates in the Municipal Employees Retirement System (MERS) of Michigan. MERS is an agent multiple employer, statewide public employee pension plan established by the Michigan Legislature under Public Act 135 of 1945 and administered by a nine member Retirement Board. MERS issues a publicly available financial report that includes financial statements and required supplementary information. This report may be obtained accessing the MERS website at www.mersofmich.com.

Benefits provided

Benefits provided include plans with multipliers ranging from 2 to 2.50% of final average compensation time number of year of service. Vesting period of 10 years. Normal retirement age is 60. Final average compensation is calculated based on a 3 years average. This plan is open to new entrants.

Membership of the defined benefit plan consisted of the following at the date of the latest actuarial valuation (December 31, 2024):

Inactive employees or beneficiaries currently receiving benefits	53
Inactive employees entitled but not yet receiving benefits	12
Active plan members	23
Total	88

Contributions

The Commission is required to contribute at an actuarially determined rate of 0 to 47.92% of covered payroll. Participating employees are required to contribute 7% of covered payroll. The contribution requirements of the Commission are established and may be amended by the MERS Retirement Board. The contribution requirements of employees are established and may be amended by labor agreements.

Net Pension Liability

The Commission's net pension liability was measured as of December 31, 2025, and the total pension liability used to calculate the net pension liability at December 31, 2024 was determined by an annual actuarial valuation as of December 31, 2024 (which included roll forward procedures to December 31, 2025).

The total pension liability in the December 31, 2024 annual actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation: 2.5%

Salary Increases: base wage inflation of 3.00% in the long-term (plus merit and longevity from 0 to 11% based on age)

Investment rate of return: 6.93%, net of investment expense, including inflation

Mortality rates used for non-disabled plan member were based on a weighted blend of MP-2019 mortality tables of a 50% Male and 50% Female blend. Mortality rates used for disabled plan member were based on a blend of MP-2019 disabled retiree mortality tables of a 50% Male and 50% Female blend of disabled retirees.

OTSEGO COUNTY ROAD COMMISSION
(a Component Unit of Otsego County)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2025

The actuarial assumptions used in the valuation were based on the results of the most recent actuarial experience study.

The long-term expected rate of return on pension plan investments was determined using a model method in which the best-estimate ranges of expected future real rates of return (expected returns, net of investment and administrative expenses and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>	<u>Expected Money Weighted Rate of Return*</u>
Global Equity	60.0%	4.50%	2.70%
Global Fixed Income	20.0%	2.00%	0.40%
Private investments	20.0%	7.00%	1.40%
MERS dedicated gains policy			(0.07)%
Inflation			2.50%
Administrative fee			0.25%
			<hr/>
Discount rate			7.18%

Discount rate. The discount rate used to measure the total pension liability is 7.18%. The projection of cash flows used to determine the discount rate assumes that employer and employee contributions will be made at the rates agreed upon for employees and the actuarially determined rates for employers. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to pay all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

OTSEGO COUNTY ROAD COMMISSION
(a Component Unit of Otsego County)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2025

Changes in the Net Pension Liability

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
	(a)	(b)	(a)-(b)
Balance at January 1, 2025	\$15,576,618	\$11,959,763	\$ 3,616,855
Changes for the year:			
Service cost	163,445	-	163,445
Interest	1,084,930	-	1,084,930
Change in benefits	-	-	-
Differences between expected and actual experience	(892)	-	(892)
Change in assumptions	(42,168)	-	(42,168)
Contributions: employer	-	827,184	(827,184)
Contributions: employee	-	73,371	(73,371)
Net investment income	-	1,838,790	(1,838,790)
Benefit payments, including refunds	(1,095,784)	(1,095,784)	-
Administrative expense	-	(24,158)	24,158
Other changes	(46,703)	-	(46,703)
Net changes	62,828	1,619,403	(1,556,575)
Balance at December 31, 2025	\$15,639,446	\$13,579,166	\$ 2,060,280

Sensitivity of the Net Pension Liability to changes in the discount rate.

The following presents the net pension liability of the employer, calculated using the discount rate of 7.18%, as well as what the employer's net pension liability would be using a discount rate that is 1 percentage point lower (6.18%) or higher (8.18%) than the current rate.

	1% Decrease	Current Discount Rate	1% Increase
Total pension liability	\$17,344,563	\$15,639,446	\$14,201,790
Fiduciary net position	13,579,166	13,579,166	13,579,166
Net pension liability	\$ 3,765,397	\$ 2,060,280	\$ 622,624

Pension expense and deferred outflows of resources and deferred inflows of resources related to pensions

For the year ended December 31, 2025 the employer recognized pension expense of \$374,209. The employer reported deferred outflows and inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences in experience	\$108,357	\$ 595
Differences in assumptions	36,370	28,112
Excess (deficit) investment returns	-	568,888
Total	\$144,727	\$597,595

OTSEGO COUNTY ROAD COMMISSION
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NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2025

Amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

2026	\$ 249,347
2027	(299,656)
2028	(204,968)
2029	(197,591)
Thereafter	-
Total	\$(452,868)

8. OTHER POST-EMPLOYMENT BENEFITS

Plan Description and Benefits Provided

The Commission administers a single-employer defined benefit healthcare plan (the Retiree Health Plan). The plan provides of health insurance premiums for retirees until age 65 (Medicare eligible). The plan was closed to employees hired after December 31, 2008. Benefit provisions are established through negotiations between the Commission and bargaining units and employee groups. The Commission makes 100% of the premium payment to the plan. The Retiree Health Plan does not issue a publicly available financial report but a legal trust has not been established for the plan.

Membership of the Retiree Health plan consisted of the following at the date of the latest actuarial valuation (December 31, 2024):

Inactive employees or beneficiaries currently receiving benefits	32
Active plan members	7
Total	39

Contributions

The contribution requirements of Plan members and the Commission are established and may be amended by the Commission. The actuarially determined contributions are based on the actuarial valuation of the plan. The actual contributions to the plan include benefit costs and a contribution to the trust which is made at the discretion of Commission.

Net OPEB Asset

The employer's net OPEB asset was measured as of December 31, 2025 while using the fair market value of plan assets.

The total OPEB asset in the December 31, 2024 annual actuarial valuation, rolled forward to December 31, 2025, was determined using the following actuarial assumptions, applied to all periods included in the measurement:

- Inflation: included in investment rate of return
- Salary Increases: 3.00% (for purpose of allocating liability)
- Investment rate of return: 6.93% (including inflation)
- 20-year Aa Municipal bond rate: 4.43% (S&P Municipal Bond 20-Year High Grade Rate Index)
- Mortality: Public General 2016 Employee and Healthy Retiree, Headcount weighted
- Improvement Scale: MP-2021

OTSEGO COUNTY ROAD COMMISSION
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NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2025

The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which the best-estimate ranges of expected future real rates of return (expected returns, net of investment and administrative expenses and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Expected Rate of Return</u>
Global equity	60%	4.50%
Global fixed income	20%	2.16%
Real assets	20%	6.50%

Rate of return. For the year ended December 31, 2025, the annual money-weighted rate of return on investments, net of investment expense, was 6.93%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Discount rate. The discount rate used to measure the total OPEB asset is 6.93%. The projections of cash flows used to determine the discount rate assumed the Road Commission will contribute general fund dollars to pay benefits until the plan is fully funded and then will use plan asset to pay benefits. The retirement plan's fiduciary net position was projected to be sufficient to make projected future benefit payments of current plan members. For projected benefits that are covered by the projected assets, the long-term expected rate was used to discount the projected benefits. For the year that benefit payments were not projected to be covered by the projected assets, projected benefits were discounted at a discount rate reflecting a 20 year AA/Aa tax exempt municipal bond yield. A single equivalent discount rate that yields the same present value of benefits is calculated. The discount rate utilized for the 2024 valuation was 6.15%.

OTSEGO COUNTY ROAD COMMISSION
(a Component Unit of Otsego County)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2025

Changes in the Net OPEB Liability

	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (asset) (a)-(b)
Balance at January 1, 2025	\$3,438,944	\$2,982,974	\$455,970
Changes for the year:			
Service cost	17,284	-	17,284
Interest	205,149	-	205,149
Experience (Gains)/Losses	(338,344)	-	(338,344)
Change in plan terms	-	-	-
Change in assumptions	(104,500)	-	(104,500)
Contributions to OPEB trust	-	-	-
Contributions/benefit paid from general operating funds	-	21,531	(21,531)
Contributions: employee	-	-	-
Net investment income	-	416,672	(416,672)
Benefit payments, including refunds	(240,928)	(240,928)	-
Administrative expense	-	(6,303)	6,303
Other changes	-	62	(62)
Net changes	(461,339)	191,034	(652,373)
Balance at December 31, 2025	\$2,977,605	\$3,174,008	(\$196,403)

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate.

The following presents the net OPEB liability of the employer, calculated using the discount rate of 6.93%, as well as what the employer's net OPEB liability would be using a discount rate that is 1 percentage point lower (5.93%) or higher (7.93%) than the current rate.

	Current		
	1% Decrease	Discount Rate	1% Increase
Net OPEB liability (asset)	(\$20,983)	(\$196,403)	(\$353,771)

Sensitivity of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rates.

The following presents the net OPEB liability of the employer, calculated using the healthcare cost trend rate, as well as what the employer's net OPEB liability would be using a rate that is 1 percentage point lower or higher than the current rate.

	Current		
	1% Decrease	Healthcare Rate	1% Increase
Net OPEB liability (asset)	(\$366,128)	(\$196,403)	(\$8,738)

For the year ended December 31, 2025 the employer recognized OPEB expense of (\$419,860).

OTSEGO COUNTY ROAD COMMISSION
(a Component Unit of Otsego County)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2025

Deferred outflows of resources and deferred inflows of resources related to OPEB

For the year ended December 31, 2025 the employer reported deferred outflows and inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences in experience	\$ -	\$ -
Differences in assumptions	-	-
(Excess) deficit investment returns	-	178,137
Total	<u>\$ -</u>	<u>\$178,137</u>

Amounts reported as deferred outflows and inflows of resources related to OPEB will be recognized in OPEB expense as follows:

2026	\$ 11,570
2027	(97,192)
2028	(48,971)
2029	(43,544)
2030	-
Thereafter	-
Total	<u>\$(178,137)</u>

9. HEALTH CARE SAVINGS PLAN

The Commission contributes from 3% to 5% of covered payroll for full time employees hired after December 31, 2008 to a health care savings plan administered by MERS of Michigan. For the current year, contributions by the Commission were \$74,481. The trust established by MERS of Michigan holds the plan assets and the related assets and liability are not included in the Commission's financial statements.

REQUIRED SUPPLEMENTARY INFORMATION

OTSEGO COUNTY ROAD COMMISSION
(a Component Unit of Otsego County)

GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL

FOR THE YEAR ENDED DECEMBER 31, 2025

	Budget Amounts		Actual Amount	Variance Positive (Negative)
	Original	Final		
Revenues				
State transportation fund	\$ 7,880,058	\$ 7,562,360	\$ 7,753,069	\$ 190,709
Federal and other state sources	804,473	939,520	939,520	-
County millage	1,600,000	1,456,155	1,456,155	-
State trunkline maintenance	1,500,000	1,741,529	1,659,027	(82,502)
State trunkline nonmaintenance	800,000	1,555,837	1,555,837	-
Local units of government	472,025	522,945	522,945	-
Salvage sales	10,000	2,715	2,715	-
Interest	375,000	513,167	513,184	17
Property rentals	20,000	29,906	29,906	-
Licenses and permits	70,000	66,359	66,359	-
FEMA disaster relief	-	-	2,526,129	2,526,129
Other revenues	13,500	36,237	36,237	-
Total revenues	<u>13,545,056</u>	<u>14,426,730</u>	<u>17,061,083</u>	<u>2,634,353</u>
Expenditures				
Primary road				
Construction and heavy maintenance	2,862,613	3,501,916	3,501,916	-
Maintenance	2,890,000	5,431,923	5,431,923	-
Total primary road	<u>5,752,613</u>	<u>8,933,839</u>	<u>8,933,839</u>	<u>-</u>
Local road				
Construction and heavy maintenance	2,151,796	1,858,671	1,858,671	-
Maintenance	2,825,000	3,043,976	3,043,976	-
Total local road	<u>4,976,796</u>	<u>4,902,647</u>	<u>4,902,647</u>	<u>-</u>
State trunkline				
State trunkline maintenance	1,500,000	1,749,575	1,749,575	-
State trunkline non-maintenance	800,000	1,547,337	1,547,337	-
Total state trunkline	<u>2,300,000</u>	<u>3,296,912</u>	<u>3,296,912</u>	<u>-</u>
Other				
County drain assessments	7,500	9,413	9,413	-
Equipment expenditures, net	250,000	(495,301)	(495,301)	-
Administrative/engineering expenditures, net	625,000	461,928	462,205	(277)
Capital outlay, net of depreciation	1,150,000	593,471	593,466	5
Total other	<u>2,032,500</u>	<u>569,511</u>	<u>569,783</u>	<u>(272)</u>
Total expenditures	<u>15,061,909</u>	<u>17,702,909</u>	<u>17,703,181</u>	<u>(272)</u>
Revenues over (under) expenditures	<u>(1,516,853)</u>	<u>(3,276,179)</u>	<u>(642,098)</u>	<u>2,634,081</u>
Net changes in fund balance	(1,516,853)	(3,276,179)	(642,098)	2,634,081
Fund balance, beginning of year	<u>14,526,151</u>	<u>14,526,151</u>	<u>14,526,151</u>	<u>-</u>
Fund balance, end of year	<u>\$ 13,009,298</u>	<u>\$ 11,249,972</u>	<u>\$ 13,884,053</u>	<u>\$ 2,634,081</u>

OTSEGO COUNTY ROAD COMMISSION
(a Component Unit of Otsego County)

DEFINED BENEFIT PENSION PLAN
SCHEDULE OF CHANGES IN EMPLOYERS NET PENSION
LIABILITY AND RELATED RATIOS

FOR THE YEAR ENDED DECEMBER 31, 2025

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Total pension liability										
Service cost	\$ 125,690	\$ 171,132	\$ 185,530	\$ 181,390	\$ 190,564	\$ 205,702	\$ 200,152	\$ 229,192	\$ 180,791	\$ 163,445
Interest	853,243	891,675	953,214	997,328	957,184	1,008,462	1,011,374	1,040,666	1,043,206	1,084,930
Changes in benefit terms	-	-	-	-	-	-	-	-	-	-
Changes in assumptions	-	-	-	-	-	-	-	-	-	-
Change in benefits	(5,403)	(10,166)	(4,710)	-	(19,628)	(13,367)	(11,654)	-	40,713	-
Difference between expected and actual experience	18,096	518,676	255,051	(187,144)	16,447	94,043	(443,420)	(120,577)	325,069	(892)
Change in assumptions	588,192	-	-	-	382,467	278,276	512,119	-	109,112	(42,168)
Benefit payments including employee refunds	(792,294)	(794,192)	(810,376)	(863,330)	(883,983)	(847,422)	(830,351)	(977,538)	(1,029,144)	(1,095,784)
Other changes	(5,518)	(7,172)	1,268	(19,581)	30,806	(50,705)	24,893	53,570	-	-
Other	-	-	-	-	-	-	-	-	(46,637)	(46,703)
Net change in total pension liability	<u>782,006</u>	<u>769,953</u>	<u>579,977</u>	<u>108,663</u>	<u>673,857</u>	<u>674,989</u>	<u>463,113</u>	<u>225,313</u>	<u>623,110</u>	<u>62,828</u>
Total pension liability, beginning of year	<u>10,675,637</u>	<u>11,457,643</u>	<u>12,227,596</u>	<u>12,807,573</u>	<u>12,916,236</u>	<u>13,590,093</u>	<u>14,265,082</u>	<u>14,728,195</u>	<u>14,953,508</u>	<u>15,576,618</u>
Total pension liability, ending of year	<u>\$ 11,457,643</u>	<u>\$ 12,227,596</u>	<u>\$ 12,807,573</u>	<u>\$ 12,916,236</u>	<u>\$ 13,590,093</u>	<u>\$ 14,265,082</u>	<u>\$ 14,728,195</u>	<u>\$ 14,953,508</u>	<u>\$ 15,576,618</u>	<u>\$ 15,639,446</u>
Plan Fiduciary Net Position										
Contributions-employer	\$ 508,482	\$ 667,663	\$ 1,065,147	\$ 1,135,488	\$ 1,152,526	\$ 676,103	\$ 717,585	\$ 711,683	\$ 777,420	\$ 827,184
Contributions-employee	39,017	121,913	68,858	87,733	205,038	121,826	154,684	132,192	74,691	73,371
Net investment income	662,026	838,774	(299,600)	1,016,274	1,161,479	1,425,633	(1,186,967)	1,145,037	842,377	1,838,790
Benefit payments including employee refunds	(792,294)	(794,192)	(810,376)	(863,330)	(883,983)	(847,422)	(830,351)	(977,538)	(1,029,144)	(1,095,784)
Administrative expense	(13,077)	(13,256)	(14,274)	(17,601)	(17,891)	(16,377)	(21,304)	(24,298)	(25,077)	(24,158)
Net change in plan fiduciary net position	<u>404,154</u>	<u>820,902</u>	<u>9,755</u>	<u>1,358,564</u>	<u>1,617,169</u>	<u>1,359,763</u>	<u>(1,166,353)</u>	<u>987,076</u>	<u>640,267</u>	<u>1,619,403</u>
Plan fiduciary net position, beginning of year	<u>5,928,466</u>	<u>6,332,620</u>	<u>7,153,522</u>	<u>7,163,277</u>	<u>8,521,841</u>	<u>10,139,010</u>	<u>11,498,773</u>	<u>10,332,420</u>	<u>11,319,496</u>	<u>11,959,763</u>
Plan fiduciary net position, ending of year	<u>\$ 6,332,620</u>	<u>\$ 7,153,522</u>	<u>\$ 7,163,277</u>	<u>\$ 8,521,841</u>	<u>\$ 10,139,010</u>	<u>\$ 11,498,773</u>	<u>\$ 10,332,420</u>	<u>\$ 11,319,496</u>	<u>\$ 11,959,763</u>	<u>\$ 13,579,166</u>
Employer net pension liability	<u>\$ 5,125,023</u>	<u>\$ 5,074,074</u>	<u>\$ 5,644,296</u>	<u>\$ 4,394,395</u>	<u>\$ 3,451,083</u>	<u>\$ 2,766,309</u>	<u>\$ 4,395,775</u>	<u>\$ 3,634,012</u>	<u>\$ 3,616,855</u>	<u>\$ 2,060,280</u>
Plan fiduciary net position as a percentage of the total pension liability	55%	59%	56%	66%	75%	81%	70%	76%	77%	87%
Covered employee payroll	\$ 1,256,307	\$ 1,576,491	\$ 1,668,776	\$ 1,609,345	\$ 1,705,930	\$ 1,782,025	\$ 1,766,136	\$ 1,870,670	\$ 1,472,058	\$ 1,388,507
Employer's net pension liability as a percentage of covered employee payroll	408%	322%	338%	273%	202%	155%	249%	194%	246%	148%

Notes to schedule:

Above dates are based on a December 31, measurement date.

OTSEGO COUNTY ROAD COMMISSION
(a Component Unit of Otsego County)

DEFINED BENEFIT PENSION PLAN
SCHEDULE OF EMPLOYER CONTRIBUTIONS

FOR THE YEAR ENDED DECEMBER 31, 2025

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Actuarially determined contributions	\$ 366,192	\$ 437,460	\$ 470,448	\$ 521,628	\$ 552,744	\$ 582,180	\$ 589,000	\$ 576,480	\$ 608,412	\$ 707,184
Contributions in relation to the actuarially determined contribution	<u>508,482</u>	<u>667,663</u>	<u>1,065,147</u>	<u>1,135,488</u>	<u>1,152,526</u>	<u>676,103</u>	<u>717,585</u>	<u>711,683</u>	<u>777,420</u>	<u>827,184</u>
Contribution excess (deficiency)	<u>\$ 142,290</u>	<u>\$ 230,203</u>	<u>\$ 594,699</u>	<u>\$ 613,860</u>	<u>\$ 599,782</u>	<u>\$ 93,923</u>	<u>\$ 128,585</u>	<u>\$ 135,203</u>	<u>\$ 169,008</u>	<u>\$ 120,000</u>
Covered employee payroll	\$ 1,256,307	\$ 1,576,491	\$ 1,576,491	\$ 4,952,025	\$ 4,831,208	\$ 4,831,208	\$ 1,766,136	\$ 1,870,670	\$ 1,472,058	\$ 1,388,507
Contributions as a percentage of covered employee payroll	40%	42%	68%	23%	24%	14%	41%	38%	53%	60%
Actuarial cost method	Entry Age									
Amortization method	Level percentage of payroll, open									
Remaining amortization period	15 years									
Asset valuation method	5 year smoothed									
Inflation	2.50%									
Salary increases	3.00% (3.75% for 2015 through 2019)									
Investment rate of return	6.93% (7.00% for 2022-2024, 7.35% for 2020 through 2021, 7.75% for 2015 through 2019)									
Retirement age	Varies depending on plan adoption									
Mortality	50% female/ 50% male RP-2019 mortality table									

OTSEGO COUNTY ROAD COMMISSION
(a Component Unit of Otsego County)

DEFINED BENEFIT OPEB PLAN
SCHEDULE OF CHANGES IN EMPLOYERS NET OPEB
LIABILITY AND RELATED RATIOS

FOR THE YEAR ENDED DECEMBER 31, 2025

	2018	2019	2020	2021	2022	2023	2024	2025
Total OPEB liability								
Service cost	\$ 84,409	\$ 87,279	\$ 73,071	\$ 64,745	\$ 28,150	\$ 16,850	\$ 13,711	\$ 17,284
Interest	208,495	208,114	250,107	173,392	240,238	239,181	225,294	205,149
Experience (Gains/Losses)	-	(141,420)	(1,440,437)	(69,503)	(167,156)	(132,012)	(64,898)	(338,344)
Changes in benefit terms	-	-	-	-	-	-	-	-
Difference between expected and actual experience	-	-	-	-	-	-	-	-
Changes in assumptions	-	(402,224)	239,912	(969,366)	(88,989)	108,799	169,757	(104,500)
Benefit payments including employee refunds	(344,330)	(269,649)	(256,951)	(201,375)	(220,867)	(223,957)	(219,397)	(240,928)
Other	-	-	-	-	-	-	-	-
Net change in total OPEB liability	(51,426)	(517,900)	(1,134,298)	(1,002,107)	(208,624)	8,861	124,467	(461,339)
Total OPEB liability, beginning of year	6,219,971	6,168,545	5,650,645	4,516,347	3,514,240	3,305,616	3,314,477	3,438,944
Total OPEB liability, end of year	<u>\$ 6,168,545</u>	<u>\$ 5,650,645</u>	<u>\$ 4,516,347</u>	<u>\$ 3,514,240</u>	<u>\$ 3,305,616</u>	<u>\$ 3,314,477</u>	<u>\$ 3,438,944</u>	<u>\$ 2,977,605</u>
Plan Fiduciary Net Position								
Contributions-employer	\$ 520,000	\$ 500,000	\$ 800,008	\$ 333,340	\$ 200,004	\$ -	\$ -	\$ -
Contributions/benefit payments made from general operating funds	344,330	269,649	256,951	201,375	220,867	223,957	-	21,531
Net investment income	(29,215)	128,666	242,288	253,378	(346,410)	431,853	223,478	416,672
Benefit payments including employee refunds	(344,330)	(269,649)	(256,951)	(201,375)	(220,867)	(223,957)	(219,397)	(240,928)
Administrative expense	(575)	(1,159)	(7,826)	(12,517)	(12,748)	(13,996)	(6,198)	(6,241)
Other	-	-	-	-	-	-	-	-
Net change in plan fiduciary net position	490,210	627,507	1,034,470	574,201	(159,154)	417,857	(2,117)	191,034
Plan fiduciary net position, beginning of year	-	490,210	1,117,717	2,152,187	2,726,388	2,567,234	2,985,091	2,982,974
Plan fiduciary net position, end of year	<u>\$ 490,210</u>	<u>\$ 1,117,717</u>	<u>\$ 2,152,187</u>	<u>\$ 2,726,388</u>	<u>\$ 2,567,234</u>	<u>\$ 2,985,091</u>	<u>\$ 2,982,974</u>	<u>\$ 3,174,008</u>
Employer net OPEB liability	<u>\$ 5,678,335</u>	<u>\$ 4,532,928</u>	<u>\$ 2,364,160</u>	<u>\$ 787,852</u>	<u>\$ 738,382</u>	<u>\$ 329,386</u>	<u>\$ 455,970</u>	<u>\$ (196,403)</u>
Plan fiduciary net position as a percentage of the total OPEB liability	7.95%	19.78%	47.65%	77.58%	77.66%	90.06%	86.74%	106.60%
Covered employee payroll	Not available	\$ 840,951	\$ 833,246	\$ 842,000	\$ 894,000	\$ 789,396	\$ 2,120,974	\$ 1,101,754
Employer's net OPEB liability as a percentage of covered employee payroll	Not available	539%	284%	94%	83%	42%	21%	-18%

Notes to schedule:

Above information is based on measurement date of December 31

No assets of the OPEB plan are being accumulated in a qualified trust to pay the related benefits.

The schedule is being accumulated prospectively until 10 years of information is presented.

OTSEGO COUNTY ROAD COMMISSION
(a Component Unit of Otsego County)

DEFINED BENEFIT OPEB PLAN
SCHEDULE OF EMPLOYER CONTRIBUTIONS

FOR THE YEAR ENDED DECEMBER 31, 2025

Fiscal Year end	Actuarially determined contributions	Contributions in relation to the actuarially determined contribution	Contribution deficiency (excess)	Covered employee payroll	Contributions as a percentage of covered employee payroll
12/31/2018	\$ 1,250,738	\$ 864,330	\$ 386,408	N/A	N/A
12/31/2019	1,344,332	769,649	574,683	840,963	92%
12/31/2020	1,338,975	1,056,959	282,016	833,235	127%
12/31/2021	917,072	534,715	382,357	841,938	64%
12/31/2022	465,875	420,871	45,004	894,000	47%
12/31/2023	429,046	223,957	205,089	789,396	28%
12/31/2024	367,114	-	367,114	2,120,974	0%
12/31/2025	267,572	21,531	246,041	1,101,754	2%

Notes to schedule

Actuarial cost method	Entry Age
Amortization method	Level dollar, closed
Remaining amortization period	2 year
Asset valuation method	Market value
Inflation	N/A
Healthcare cost trend rates	Pre-65: 7.25% graded down to 4.5% by 0.25% per year Post-65: 5.5% followed by 5.75% graded down to 4.5% by 0.25% per year
Discount rate	6.93%, (6.15% 2024; 7% 2023; 7.45% 2022; 7% 2021)
Salary increases	3.00%
Investment rate of return	N/A
Retirement age	Varies depending on plan adoption
Mortality	Public General 2016 Employee and Healthy Retiree, Headcount weighted, MP-2021 improvement

Notes to schedule:

The schedule is being accumulated prospectively until 10 years of information is presented.

Schedule of Investment Returns

Fiscal Year end	Annual money-weighted rate net of investment expense
12/31/2019	17.38%
12/31/2020	15.96%
12/31/2021	10.93%
12/31/2022	-12.26%
12/31/2023	16.82%
12/31/2024	7.49%
12/31/2025	6.77%

State of Michigan PA 202 information

Actuarially recommended contributions	\$ 267,572
Minimum required contribution under PA 202	296,562
Actual contribution	21,531
Contribution for employees hired after June 30, 2018	n/a

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**GENERAL FUND
SCHEDULES**

OTSEGO COUNTY ROAD COMMISSION
(a Component Unit of Otsego County)

SCHEDULE OF CHANGES IN FUND BALANCES

FOR THE YEAR ENDED DECEMBER 31, 2025

	<u>Primary Road</u>	<u>Local Road</u>	<u>County Road</u>	<u>Total</u>
Fund balances, beginning of year	\$ 121,369	\$ 2,830,733	\$ 11,574,049	\$ 14,526,151
Revenues	7,288,852	3,487,128	6,285,103	17,061,083
Expenditures	<u>9,087,219</u>	<u>4,845,991</u>	<u>3,769,971</u>	<u>17,703,181</u>
Revenues over (under) expenditures	<u>(1,798,367)</u>	<u>(1,358,863)</u>	<u>2,515,132</u>	<u>(642,098)</u>
Other financing sources (uses)	<u>1,676,998</u>	<u>-</u>	<u>(1,676,998)</u>	<u>-</u>
Revenues and other financing sources over (under) expenditures and other financing uses	<u>(121,369)</u>	<u>(1,358,863)</u>	<u>838,134</u>	<u>(642,098)</u>
Fund balances, end of year	<u>\$ -</u>	<u>\$ 1,471,870</u>	<u>\$ 12,412,183</u>	<u>\$ 13,884,053</u>

OTSEGO COUNTY ROAD COMMISSION
(a Component Unit of Otsego County)

SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES

FOR THE YEAR ENDED DECEMBER 31, 2025

	<u>Primary Road</u>	<u>Local Road</u>	<u>County Road</u>	<u>Total</u>
Revenues				
Michigan Transportation Fund				
Engineering	\$ 6,249	\$ 3,751	\$ -	\$ 10,000
Allocation	4,105,215	2,463,985	-	6,569,200
Urban road	482,427	220,947	-	703,374
Snow removal	<u>295,000</u>	<u>175,495</u>	-	<u>470,495</u>
Total Michigan Transportation Fund	<u>4,888,891</u>	<u>2,864,178</u>	-	<u>7,753,069</u>
Federal and other state sources				
Surface transportation program	600,153	-	-	600,153
Forest road	85,110	-	-	85,110
Transportation economic development	254,257	-	-	254,257
FEMA disaster relief	<u>-</u>	<u>-</u>	<u>2,526,129</u>	<u>2,526,129</u>
Total federal and other state sources	<u>939,520</u>	<u>-</u>	<u>2,526,129</u>	<u>3,465,649</u>
State trunkline maintenance	-	-	1,659,027	1,659,027
State trunkline nonmaintenance	-	-	1,555,837	1,555,837
Local units of government	-	522,945	-	522,945
County millage	1,456,155	-	-	1,456,155
Salvage sales	-	-	2,715	2,715
Interest	4,286	100,005	408,893	513,184
Property rentals	-	-	29,906	29,906
Licenses and permits	-	-	66,359	66,359
Other revenues	<u>-</u>	<u>-</u>	<u>36,237</u>	<u>36,237</u>
Total Revenues	7,288,852	3,487,128	6,285,103	17,061,083
Other financing sources (uses)				
Transfer	<u>1,676,998</u>	<u>-</u>	<u>(1,676,998)</u>	<u>-</u>
Total revenues and other financing sources	<u>\$ 8,965,850</u>	<u>\$ 3,487,128</u>	<u>\$ 4,608,105</u>	<u>\$ 17,061,083</u>

OTSEGO COUNTY ROAD COMMISSION
(a Component Unit of Otsego County)

SCHEDULE OF EXPENDITURES

FOR THE YEAR ENDED DECEMBER 31, 2025

	<u>Primary Road</u>	<u>Local Road</u>	<u>County Road</u>	<u>Total</u>
Expenditures				
Primary road				
Construction and heavy maintenance	\$ 3,501,916	\$ -	\$ -	\$ 3,501,916
Maintenance	5,431,923	-	-	5,431,923
Local road				
Construction and heavy maintenance	-	1,858,671	-	1,858,671
Maintenance	-	3,043,976	-	3,043,976
State trunkline maintenance	-	-	1,749,575	1,749,575
State trunkline nonmaintenance	-	-	1,547,337	1,547,337
Other				
County drain assessments	-	-	9,413	9,413
Equipment expenditures, net	(145,053)	(220,428)	(129,820)	(495,301)
Administrative expenditures, net	298,433	163,772	-	462,205
Capital outlay net of depreciation	-	-	593,466	593,466
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total expenditures	<u>\$ 9,087,219</u>	<u>\$ 4,845,991</u>	<u>\$ 3,769,971</u>	<u>\$ 17,703,181</u>

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SINGLE AUDIT SECTION



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INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

May 1, 2026

Otsego County Road Commission
Board of Commissioners
Gaylord, Michigan

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the general fund and the aggregate remaining funds of the Otsego County Road Commission (the Commission), a component unit of Otsego County, Michigan, as of and for the year ended December 31, 2025, and the related notes to the financial statements, which collectively comprise the Commission's basic financial statements, and have issued our report thereon dated May 1, 2026.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Commission's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Commission's internal control. Accordingly, we do not express an opinion on the effectiveness of the Commission's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Commission's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statement. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Commission's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Ordebold Haefner LLC



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INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

May 1, 2026

Otsego County Road Commission
Board of Commissioners
Gaylord, Michigan

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Otsego County Road Commission, Otsego County, Michigan's (the Commission), compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of Commission's major federal programs for the year ended December 31, 2025. The Commission's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, Otsego County Road Commission, Otsego County, Michigan complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2025.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Commission and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of Commission's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the Commission's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Commission's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Commission's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Commission's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Commission's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of Commission's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control over Compliance

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Orlando Hoefner LLC

OTSEGO COUNTY ROAD COMMISSION
(a Component Unit of Otsego County)

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

FOR THE YEAR ENDED DECEMBER 31, 2025

Federal Grantor/Pass-through Grantor/Program Title	Federal Assistance Listing Number	Pass- through Grantor's Number	Approved Grant Award Amount	Expenditures
U.S. Department of Homeland Security Passed through Michigan Department of State Police Disaster Grants - Public Assistance	97.036	137-U07A8-00	\$ 2,526,129	<u>\$ 2,526,129</u>

See notes to schedule of expenditures of federal awards.

OTSEGO COUNTY ROAD COMMISSION
(a Component Unit of Otsego County)

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

FOR THE YEAR ENDED DECEMBER 31, 2025

-
1. The Schedule of Expenditures of Federal Awards is prepared in accordance with the modified accrual basis of accounting.
 2. Reconciliation of revenues from federal sources per financial statements and expenditures per the Schedule of Expenditures of Federal Awards:

State and Federal grants reported on Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balance:

Operating grants and contributions - State transportation funds	\$ 7,753,069
Operating grants and contributions - FEMA disaster relief	2,526,129
Capital grants and contributions - Federal and state sources	<u>939,520</u>
Total grant funding per financial statements	11,218,718
Less:	
Federal portion of MDOT projects not subject to single audit	600,153
State transportation funds	7,753,069
State grants included in federal and state sources	<u>339,367</u>
Agrees to Schedule of Expenditures of Federal Awards	<u>\$ 2,526,129</u>

3. The Road Commission did not elect to use the 15% de minimis cost rate as covered in Uniform Guidance section 2 CFR 200.414 indirect costs.

**OTSEGO COUNTY ROAD COMMISSION
(a Component Unit of Otsego County)**

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

FOR THE YEAR ENDED DECEMBER 31, 2025

SECTION I - SUMMARY OF AUDITORS' RESULTS

Financial Statements

Type of auditors' report issued	Unmodified	
Internal control over financial reporting:		
Material weakness(es) identified?	_____ yes	<u> X </u> no
Significant deficiency(ies) identified?	_____ yes	<u> X </u> none reported
Noncompliance material to financial statements noted?	_____ yes	<u> X </u> no

Federal Awards

Internal control over major programs:		
Material weakness(es) identified?	_____ yes	<u> X </u> no
Significant deficiency(ies) identified?	_____ yes	<u> X </u> none reported
Type of auditors' report issued on compliance for major programs	Unmodified	
Any audit findings disclosed that are required to be reported in accordance with section 2 CFR 200.516(a) of the Uniform Guidance?	_____ yes	<u> X </u> no

Identification of major programs:

<u>Assistance Listing Number(s)</u>	<u>Name of Federal Program or Cluster</u>
97.036	Disaster Grants - Public Assistance

Dollar threshold used to distinguish between Type A and B programs:	<u> \$1,000,000 </u>
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Auditee qualified as low-risk auditee?	_____ yes	<u> X </u> no
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SECTION II - FINANCIAL STATEMENT FINDINGS

None

SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

None

SECTION IV - SUMMARY OF PRIOR AUDIT FINDINGS

None



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May 1, 2026

Members of the Board
Otsego County Road Commission
Gaylord, Michigan

We have audited the financial statements of the governmental activities, the general fund and the aggregate remaining fund information, of the Otsego County Road Commission (the Commission) for the year ended December 31, 2025. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards and *Government Auditing Standards* and the Uniform Guidance, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated March 5, 2026. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Results

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Commission are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the year. We noted no transactions entered into by the governmental unit during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the financial statements were the useful lives of capital assets, the allowance for uncollectible accounts receivable, and the valuation of the pension and other postemployment benefit plan obligations.

Management's estimate of the useful lives and uncollectible accounts is based on previous history and expectations and the estimate of pension and other post-employment benefit plan obligations is based on actuarial valuations of the Plans. We evaluated the key factors and assumptions used to develop the estimates in determining that they are reasonable in relation to the financial statements taken as a whole.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. We proposed and management posted an adjustment to record the amount receivable from the Commission's OPEB plan.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated May 1, 2026.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the Commission's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Commission's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

We also noted the following items during the performance of our audit:

Budget Amendments

During our audit procedures, we noted the 2025 budget was amended in 2026. State law requires that funds be budgeted prior to being expended. We recommend the final budget amendments be completed no later than December 31.

Other Matters

We applied certain limited procedures to items, which are required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding 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 did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

We were engaged to report on the general fund schedules, which accompany the financial statements but are not RSI. With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

Restriction on Use

This information is intended solely for the use of the Board of Commissioners and management of the Commission and is not intended to be, and should not be, used by anyone other than these specified parties.

Sincerely,

Orlando Hoefner LLC

March 20, 2026

PERSONAL & CONFIDENTIAL

Rebecca Hilmert
Otsego County Road Commission
669 W McCoy Rd
Gaylord, MI 49735

RE: Otsego County Road Commission Retiree Health Plan

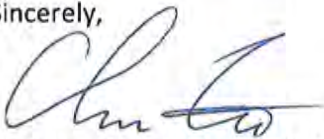
Dear Rebecca:

Transmitted via email, this is a copy of your OPEB accounting report for the fiscal year ending December 31, 2025. This information is intended to assist you in complying with Governmental Accounting Standards Board Statement No. 74 (GASB 74) Financial Reporting for Postemployment Benefit Plans Other than Pension Plans, and Statement No. 75 (GASB 75) Accounting and Financial Reporting for Postemployment Benefits Other than Pensions.

The actuarial values shown in this report are based on December 31, 2024 results rolled forward to December 31, 2025.

If you have any questions about this report, please call me at (616) 742-9244.

Sincerely,



Christian R. Veenstra, FCA, ASA, MAAA
President / Enrolled Actuary

Enclosure

Otsego County Road Commission Retiree Health Plan

Accounting Report

for the Period Ending December 31, 2025
under GASB Statement 74 & 75



Report presented by:



March 2025

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INTRODUCTION AND CERTIFICATION

The schedules included in this report have been prepared to provide the information necessary to comply with Governmental Accounting Standards Board (GASB) Statement Nos. 74 and 75. This information may, at the discretion of the management of the plan sponsor and its auditor, be used for the preparation of its financial statements. The calculations herein have been made based on our understanding of GASB 74 and 75 and may be inappropriate for other purposes.

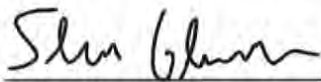
The calculations summarized in this report involve actuarial calculations that require assumptions about future events. We believe that the assumptions used in the report are within the range of possible assumptions that are reasonable and appropriate for the purposes for which they have been used. However, other assumptions are also reasonable and appropriate, and their use would produce different results.

This report contains additional information and details related to plan provisions and recommended contribution calculations.

This report was prepared based on participant data and asset values as reported to us by the plan sponsor. Watkins Ross relied upon the data as submitted and has no reason to believe that any information which would have a material effect on the results of this valuation was not considered in the preparation of the report.

The actuary certifying this report represents herself as meeting the Qualification Standards of the American Academy of Actuaries to render actuarial opinions contained in the report.

Prepared by:



Shane Gladinus
Actuarial Analyst

Certified by:



Leah A. Dudley, FCA, ASA, MAAA
Health Actuary

COMMENTS

Purpose of Governmental Accounting Standards Board (GASB) Reporting

The objective of GASB is to provide guidelines and requirements for accounting and financial reporting by state and local governments for postemployment benefits other than pensions (OPEB). This statement establishes standards for recognizing and measuring liabilities, deferred inflows and outflows of resources and methods and assumptions that are required to be used to project benefit payments and discount those payments to their actuarial present value.

State of Michigan Public Act 202

Public Act 202 (PA 202) was drafted to address the underfunded status of pension and retiree healthcare plans of local governments in Michigan. Accordingly, PA 202 included transparency and funding requirements. In addition, in order that the plans' funded status be reported on a consistent basis, Uniform Assumptions were published. While all of the Uniform Assumptions have a sound and reasonable basis, some might not be appropriate for each plan and therefore may be different than what is used for funding. Additionally, some of the assumptions may differ from what is required for reporting under GASB.

Changes in Actuarial Assumptions, Plan Changes and Actuarial Experience

- Actuarial Experience: There was a gain to the plan of \$338,344. The biggest contributor to the gain is that two retirees who opt out of medical insurance are now being valued with their opt out benefit of \$2,000 per year.
- Actuarial Assumptions: The combination of actuarial assumption changes, described in the "Assumptions and Methods for Calculation of Actuarially Determined Contribution" section of this report, generated a decrease in liability of \$104,500.
- Plan Changes: There were no plan changes during the year.

PLAN DESCRIPTION

Summary of Significant Accounting Policies

For purposes of measuring the net Other Post-Employment Benefits (OPEB) liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expenses, information about the fiduciary net position of the Otsego County Road Commission Retiree Health Plan and additions to/deductions from the Road Commission's fiduciary net position have been determined on the same basis as they are reported by the Otsego County Road Commission. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Plan Description

Otsego County Road Commission Retiree Health Plan is a single employer plan established and administered by **Otsego County Road Commission** and can be amended at its discretion.

Benefits Provided

A summary of the benefits provided is available in the Plan Provisions section of the report.

Summary of Plan Participants

As of December 31, 2024, Retirement Plan membership consisted of the following:

Active members	7
Inactive members	0
Retirees and beneficiaries	32
Total members	39

Contributions

The Otsego County Road Commission Retiree Health Plan, a post-employment benefit (OPEB) plan, was established under the authority of the Road Commission and collective bargaining agreements. With this valuation, trust assets are projected to be sufficient to pay future OPEB benefits with no further contributions from the Road Commission.

ASSUMPTIONS AND METHODS

The Otsego County Road Commission's OPEB liability was measured as of December 31, 2025.

Actuarial Assumptions

The total OPEB liability was determined by an actuarial valuation as of December 31, 2024 rolled forward to December 31, 2025. The following actuarial assumptions were used in the measurement:

Inflation	2.50%
Salary increases	3.00% (for purpose of allocating liability)
Investment rate of return	6.93% (including inflation)
20-year Aa Municipal bond rate	4.43%
Mortality	Public General 2016 Employee and Healthy Retiree, Headcount weighted
Improvement Scale	IRS 2024 Adjusted Scale MP-2021

The long-term expected rate of return on retirement plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of retirement plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the retirement plan's target asset allocation are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Global Equity	60.0%	4.50%
Global Fixed Income	20.0%	2.16%
Real Assets	20.0%	6.50%

The sum of each target allocation times its long-term expected real rate, plus inflation, is 6.93%.

Discount Rate

The discount rate used to measure the total OPEB liability was **6.93%**. With no further employer contributions, the retirement plan's fiduciary net position is projected to be sufficient to make projected future benefit payments of current plan members. For projected benefits that are covered by projected assets, the long-term expected rate was used to discount the projected benefits. From the year that benefit payments were not projected to be covered by the projected assets (the "depletion date", not applicable for this plan), projected benefits were discounted at a discount rate reflecting a 20-year AA/Aa tax-exempt municipal bond yield. A single equivalent discount rate that yields the same present value of benefits is calculated. This discount rate is used to determine the Total OPEB Liability. This discount rate is used to determine the Total OPEB Liability. As of December 31, 2024 the discount rate used to value OPEB liabilities was 6.15%.

RECONCILIATION AND RECOGNITION OF NET OPEB LIABILITY

Changes in the Net OPEB Liability

	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a) - (b)
Balance at December 31, 2024	\$3,438,944	\$2,982,974	\$455,970
Changes during the Year			
Service Cost	17,284		17,284
Interest	205,149		205,149
Experience (Gains)/Losses	(338,344)		(338,344)
Change in plan terms	0		0
Change in actuarial assumptions	(104,500)		(104,500)
Contributions to OPEB trust		0	0
Contributions/benefit from general operating funds		21,531	(21,531)
Employee Contributions		0	0
Net Investment Income		416,672	(416,672)
Benefit Payments;			
Including Refunds of Employee Contributions	(240,928)	(240,928)	0
Administrative Expenses		(6,303)	6,303
Other Changes		62	(62)
Total Changes	(461,339)	191,034	(652,373)
Balance at December 31, 2025	\$2,977,605	\$3,174,008	\$(196,403)

Net OPEB Liability – Discount and Trend Rate Sensitivities

The following presents the net OPEB liability (NOL) of the Road Commission, calculated using trend and discount rates 1% higher and lower than base assumptions:

Discount	1% Decrease	Current Rate	1% Increase
Total OPEB Liability	\$3,153,025	\$2,977,605	\$2,820,237
Plan Fiduciary Net Position	3,174,008	3,174,008	3,174,008
Net OPEB Liability	\$(20,983)	\$(196,403)	\$(353,771)

Trend	1% Decrease	Current Rate	1% Increase
Total OPEB Liability	\$2,807,880	\$2,977,605	\$3,165,270
Plan Fiduciary Net Position	3,174,008	3,174,008	3,174,008
Net OPEB Liability	\$(366,128)	\$(196,403)	\$(8,738)

RECONCILIATION AND RECOGNITION OF NET OPEB LIABILITY

OPEB Expense

Below are the components of the Total OPEB Expense:

	Fiscal Year Ending 12/31/2025
Service Cost	\$17,284
Interest on Total OPEB Liability	205,149
Experience (Gains)/Losses	(338,344)
Changes in Plan Terms	0
Changes in Assumptions	(104,500)
Employee Contributions	0
Projected Earnings on OPEB Plan Investments	(198,960)
Investment Earnings (Gains)/Losses	(6,730)
Administrative Expenses	6,303
Other Changes in Fiduciary Net Position	(62)
Total OPEB Expense	\$(419,860)

OPEB Plan Fiduciary Net Position

The OPEB Plan Fiduciary Net Position as of December 31, 2025 is \$3,174,008.

Deferred Outflows and Inflows of Resources Related to OPEB Plan

	Deferred Outflows Of Resources	Deferred Inflows Of Resources
Experience (Gains)/Losses	0	0
Changes of Assumptions	0	0
Investment Earnings (Gains)/Losses	0	178,137
Total	\$0	\$178,137

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ended December 31,	Amount Recognized
2026	\$11,570
2027	(97,192)
2028	(48,971)
2029	(43,544)
2030	0
Thereafter	0

RECONCILIATION AND RECOGNITION OF NET OPEB LIABILITY

Reconciliation of Net OPEB Liability

	Net OPEB Liability
Net OPEB Liability December 31, 2024	\$455,970
Total OPEB expense	(419,860)
Contributions	(21,531)
Change in deferred outflows of resources	(32,845)
Change in deferred inflows of resources	(178,137)
Net OPEB Liability December 31, 2025	\$(196,403)

Total OPEB Liability by Participant Status

	Total OPEB Liability
Active participants	\$859,963
Inactive participants	0
Retirees and beneficiaries	2,117,642
Total OPEB Liability	\$2,977,605

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

Description of Actuarially Determined Contributions

Although not required as part of GASB reporting, we have included an Actuarially Determined Contribution in order to provide information for funding. This recommended contribution is designed to eventually fund your plan enough that you can pay retiree benefits directly from the trust instead of general operating funds. The amortization period is based on average future working years for active employees.

Actuarially Determined Contribution (ADC) ¹	Fiscal Year Ending December 31,	
	2026	2025
Discount rate	6.93%	6.15%
Amortization period	1 years	2 years
Amortization method	Level \$	Level \$
Service cost	15,986	17,284
Amortization of Net OPEB Liability	(196,403)	234,786
Interest to end of year	(12,503)	15,502
Total ADC, not less than \$0	\$0	\$267,572

PA 202 was issued by the State of Michigan and requires the calculation of other “contribution” amounts. These are

1. The Actuarially Determined Contribution (ADC) using Assumptions for financial reporting and
2. The minimum required amount to be deposited into an OPEB trust

The first of these contributions as shown above, \$267,572, is an amount required to be reported to the State of Michigan and may be used to determine whether a Corrective Action Plan (CAP) must be adopted if one hasn't yet been implemented. *It is not a required contribution.*

The second of these numbers is the actual minimum amount the State of Michigan requires you to deposit into a trust and it is based on the normal cost (actuarially calculated) for those covered by your plan and hired after June 30, 2018. Because the plan is closed to new employees, this requirement is not applicable.

¹ ADC for 2025 and 2026 is based on actuarial assumptions consistent with reporting as of December 31, 2024, and December 31, 2025, respectively.

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

State of Michigan Public Acts 530 and 202 Information

Financial information	2025
Assets (Fiduciary net position)	3,174,008
Liabilities (Total OPEB Liability)	2,977,605
Funded ratio for the Plan Year	106.60%
Actuarially Determined Contribution	\$267,572
Is ADC calculated in compliance with No. Letter 2018-3?	Yes

Membership	2025
Number of active members	7
Number of inactive members	0
Number of retirees and beneficiaries	32
Premiums paid on behalf of the retirants	\$240,928

Investment Performance

This information is available from the Investment Manager

Actuarial Assumptions	2025
Actuarially assumed rate of investment return	6.93%
Discount rate	6.93%
Amortization method used for funding unfunded liability	Level \$
Amortization period used for funding unfunded liability	2 years
Is each division closed to new employees	Yes
Healthcare inflation assumption next year	7.50%
Healthcare inflation assumption - long term	4.50%

Uniform Assumptions	2025
Actuarial value of assets using uniform assumptions	3,174,008
Actuarial accrued liability using uniform assumptions	2,990,954
Funded ratio using uniform assumptions	106.12%
Actuarially Determined Contribution (ADC) using uniform assumptions	\$296,562

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

Changes in Net OPEB Liability and Related Ratios

Fiscal Year Ending	12/31/2025	12/31/2024	12/31/2023	12/31/2022	12/31/2021
Total OPEB Liability					
Service Cost	\$17,284	\$13,711	\$16,850	\$28,150	\$64,745
Interest	205,149	225,294	239,181	240,238	173,392
Changes of Benefit Terms	0	0	0	0	0
Difference between Expected and Actual Experience	(338,344)	(64,898)	(132,012)	(167,156)	(69,503)
Change of Assumptions	(104,500)	169,757	108,799	(88,989)	(969,366)
Benefit Payments (Including Refunds of Employee Contributions)	(240,928)	(219,397)	(223,957)	(220,867)	(201,375)
Net Change in Total OPEB Liability	(461,339)	124,467	8,861	(208,624)	(1,002,107)
Total OPEB Liability – Beginning	3,438,944	3,314,477	3,305,616	3,514,240	4,516,347
Total OPEB Liability – Ending (a)	\$2,977,605	\$3,438,944	\$3,314,477	\$3,305,616	\$3,514,240
Plan Fiduciary Net Position					
Contributions to OPEB trust	\$0	\$0	\$0	\$200,004	\$333,340
Contributions/benefit payments made from general operating funds	21,531	(4,560)	223,957	220,867	201,375
Net Investment Income	416,672	228,038	431,853	(346,409)	253,378
Benefit Payments (Including Refunds of Employee Contributions)	(240,928)	(219,397)	(223,957)	(220,867)	(201,375)
Administrative Expenses	(6,303)	(6,198)	(13,996)	(12,749)	(12,517)
Other	62	0	0	0	0
Net Change in Fiduciary Net Position	191,034	(2,117)	417,857	(159,154)	574,201
Plan Fiduciary Net Position – Beginning	2,982,974	2,985,091	2,567,234	2,726,388	2,152,187
Plan Fiduciary Net Position – Ending (b)	3,174,008	2,982,974	2,985,091	2,567,234	2,726,388
Net OPEB Liability – Ending (a)-(b)	\$(196,403)	\$455,970	\$329,386	\$738,382	\$787,852
Plan Fiduciary Net Position as a Percentage of Total OPEB Liability	106.60%	86.74%	90.06%	77.66%	77.58%
Covered Employee Payroll	\$1,101,754	\$2,120,974	\$789,396	\$894,000	\$842,000
Net OPEB Liability as Percentage of Payroll	(17.8)%	21.5%	41.7%	82.6%	93.6%
Actuarially Determined Contribution	\$267,572	\$367,114	\$429,046	\$465,875	\$917,072
Employer Contribution/benefit payments	(21,531)	4,560	(223,957)	(420,871)	(534,715)
Contribution Deficiency/(Excess)	\$246,041	\$371,674	\$205,089	\$45,004	\$382,357
ADC as a Percentage of Covered Payroll	24.3%	17.3%	54.4%	52.1%	108.9%
Employer Contribution as a Percentage of Covered Payroll	2.0%	0.2%	28.4%	47.1%	63.5%

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

Changes in Net OPEB Liability and Related Ratios

Fiscal Year Ending	12/31/2020	12/31/2019	12/31/2018
Total OPEB Liability			
Service Cost	\$73,071	\$87,279	\$84,409
Interest	250,107	208,114	208,495
Changes of Benefit Terms	0	0	0
Difference between Expected and Actual Experience	(1,440,437)	(141,420)	0
Change of Assumptions	239,912	(402,224)	0
Benefit Payments (Including Refunds of Employee Contributions)	(256,951)	(269,649)	(344,330)
Net Change in Total OPEB Liability	(1,134,298)	(517,900)	(51,426)
Total OPEB Liability – Beginning	5,650,645	6,168,545	6,219,971
Total OPEB Liability – Ending (a)	\$4,516,347	\$5,650,645	\$6,168,545
Plan Fiduciary Net Position			
Contributions to OPEB trust	\$800,008	\$500,000	\$520,000
Contributions/benefit payments made from general operating funds	256,951	269,649	344,330
Net Investment Income	242,288	128,666	(29,215)
Benefit Payments (Including Refunds of Employee Contributions)	(256,951)	(269,649)	(344,330)
Administrative Expenses	(7,826)	(1,159)	(575)
Other	0	0	0
Net Change in Fiduciary Net Position	1,034,470	627,507	490,210
Plan Fiduciary Net Position – Beginning	1,117,717	490,210	0
Plan Fiduciary Net Position – Ending (b)	2,152,187	1,117,717	490,210
Net OPEB Liability – Ending (a)-(b)	\$2,364,160	\$4,532,928	\$5,678,335
Plan Fiduciary Net Position as a Percentage of Total OPEB Liability	47.65%	19.8%	8.0%
Covered Employee Payroll	\$833,246	\$840,951	Not available
Net OPEB Liability as Percentage of Payroll	283.7%	539.0%	Not available
Actuarially Determined Contribution	\$1,338,975	\$1,344,332	\$1,250,738
Employer Contribution/benefit payments	(1,056,959)	(769,649)	(864,330)
Contribution Deficiency/(Excess)	\$282,016	\$574,683	\$386,408
ADC as a Percentage of Covered Payroll	160.7%	159.9%	Not available
Employer Contribution as a Percentage of Covered Payroll	126.8%	91.5%	Not available

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

Assumptions and Methods for Calculation of Actuarially Determined Contribution

Valuation date	December 31, 2024
Measurement date	December 31, 2025
Reporting date	December 31, 2025
Actuarial Methods	
Cost method	Entry Age Normal (level percentage of compensation)
Asset valuation method	Market value

Actuarial Assumptions

Discount Rate – 6.15% for 2025 contribution; 6.93% for 2025 liability and 2026 contribution
Rationale – Blended rate based on long term expected return and the 20-year Aa Municipal Bond rate

20-year Aa Municipal Bond Rate – 4.43%
Rationale – S&P Municipal Bond 20-Year High Grade Rate Index as of December 31, 2025

Salary Scale – 3.00% (for purpose of allocating liability)
Rationale – Per employer expectations

Return on Plan Assets – 6.93% (including inflation)
Rationale – Provided by investment manager

Mortality Rates – Public General 2016 Employee and Healthy Retiree, Headcount weighted, IRS 2024 Adjusted Scale MP-2021
Rationale – Current mortality rates for municipalities

Utilization – 100% of future retirees will elect coverage at retirement; actual coverage used for non-active
Rationale – Historical

Termination Rates – None
Rationale – Small group

Disability Rates – None
Rationale – Small group

Retirement Rates – 100% at first eligibility
Rationale – Consistent with experience

Marital Assumption – Not applicable
Rationale – Future retirees are not eligible for employer paid spouse coverage

Pre-65 Medical Claims Cost – See monthly rates below

Blue Care Network HRA			
Age	Rate	Age	Rate
55	\$ 838.75	60	\$ 1,020.79
56	877.49	61	1,056.90
57	916.50	62	1,080.59
58	958.35	63	1,110.31
59	979.04	64	1,128.36

Rationale – Actual age-rated premiums in effect as of January 1, 2025

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

Post-65 Medical Claims Costs – See monthly rates below

Coverage	Rate
Blue Care Network ¹	\$ 382.63
Humana	351.09

Rationale – Provided by carrier

Implicit Subsidy – Not applicable; premiums are age-rated

Medical Trend

Pre-65: 7.25% in first year followed by 7.5% graded down to 4.5% by 0.25% per year

Post-65: 5.5% in first year followed by 5.75% graded down to 4.5% by 0.25% per year

Rationale – Based on State of Michigan trend survey

Data Collection

Date and form of data – All personnel and asset data were prepared by the plan sponsor or a representative and was generally relied upon as being correct and complete without audit by Watkins Ross

Assumption changes since prior valuation

- Discount rate updated from 6.15% to 6.93%
- Trend rates updated such that second-year trend increases by 0.25% rather than decreasing by the anticipated 0.25%
- Mortality updated from Public General 2010 Employee and Healthy Retiree, Headcount weighted to Public General 2016 Employee and Healthy Retiree, Headcount weighted

Assumptions used for PA 202 Reporting

Mortality – Public General 2010 Employee and Healthy Retiree, Headcount weighted

Salary Scale – 3.65%

All other assumptions are the same as used for GASB

¹ Retirees retain Blue Care Network coverage until both retiree and spouse reach age 65

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

Schedule of Difference between Actual and Expected Experience

Year	Difference between expected and actual Experience	Recognition period (years)	Amount Recognized in Year Ended December 31,							Deferred Outflow of Resources	Deferred Inflow of Resources
			2025	2026	2027	2028	2029	2030	2031+		
2019	(141,420)	1.00								-	-
2020	(1,440,437)	1.00								-	-
2021	(69,503)	1.00								-	-
2022	(167,156)	1.00								-	-
2023	(132,012)	1.00								-	-
2024	(64,898)	1.00								-	-
2025	(338,344)	1.00	(338,344)	-	-	-	-	-	-	-	-
Net recognized in OPEB expense			\$ (338,344)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Schedule of Changes in Assumptions

Year	Changes in Assumptions	Recognition period (years)	Amount Recognized in Year Ended December 31,							Deferred Outflow of Resources	Deferred Inflow of Resources
			2025	2026	2027	2028	2029	2030	2031+		
2019	(402,224)	1.00								-	-
2020	239,912	1.00								-	-
2021	(969,366)	1.00								-	-
2022	(88,989)	1.00								-	-
2023	108,799	1.00								-	-
2024	169,757	1.00								-	-
2025	(104,500)	1.00	(104,500)	-	-	-	-	-	-	-	-
Net recognized in OPEB expense			\$ (104,500)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Schedule of Differences between Projected and Actual Earnings on OPEB Plan Investments

Year	Difference between expected and actual earnings on OPEB assets	Recognition period (years)	Amount Recognized in Year Ended December 31,							Deferred Outflow of Resources	Deferred Inflow of Resources
			2025	2026	2027	2028	2029	2030	2031+		
2021	(91,496)	5.00	(18,300)							-	-
2022	543,810	5.00	108,762	108,762						108,762	-
2023	(241,115)	5.00	(48,223)	(48,223)	(48,223)					-	(96,446)
2024	(27,137)	5.00	(5,427)	(5,427)	(5,427)	(5,429)				-	(16,283)
2025	(217,712)	5.00	(43,542)	(43,542)	(43,542)	(43,542)	(43,544)			-	(174,170)
Net recognized in OPEB expense			\$ (6,730)	\$ 11,570	\$ (97,192)	\$ (48,971)	\$ (43,544)			\$ 108,762	\$ (286,899)

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

Total Deferred Outflow/(Inflow) of Resources

	Amount Recognized in Year Ended December 31,					
	2026	2027	2028	2029	2030	2031+
Total Deferred Outflow/(Inflow) of Resources	\$ 11,570	\$ (97,192)	\$ (48,971)	\$ (43,544)	\$ -	\$ -

TRUSTEE INFORMATION

Projected benefit payments

A graphic illustration of 20 years of projected benefit payments for the current group of covered lives is shown below. Plans open to new participants could see higher than expected payments if new members are hired and are eligible to retire during the projection period.

The chart below reflects expected cash flows to pay benefits for current plan participants.



SUMMARY OF PLAN PROVISIONS

Plan name	Otsego County Road Commission Retiree Health Plan
Benefit eligibility	Hired prior to December 31, 2008 and retire with at least 20 years of employment and age 55 years
Benefits	
Retirement prior to 2012	Lifetime health coverage for the retiree and spouse
Retirement from 2012 through 2017	
Pre-65	Coverage for the retiree and spouse and annual reimbursement of deductible up to \$4,500 per person
Post-65	Employer paid supplemental coverage for the retiree and spouse capped at \$350 per month per person
Retirement after 1/1/2018	
Pre-65	Coverage for the retiree and annual reimbursement of deductible up to \$4,500 ¹
Post-65	None
Retiree contribution	Balance of premium not paid by the employer
Changes since prior valuation	None

¹ Two retirees receive a benefit of \$2,000 annually in lieu of the insurance.

GLOSSARY

A number of special terms and concepts are used in connection with OPEB plans and the OPEB accounting report. The following list reviews a number of these terms and provides a brief discussion of their meaning.

Actuarially Determined Contribution (ADC) – A target or recommended contribution for the reporting period, determined in conformity with Actuarial Standards of Practice based on the most recent measurement available when the contribution for the reporting period was adopted.

Actuarial Cost Method – This is a mathematical formula which is used to allocate the present value of projected benefits to past and future plan years.

Amortization – The difference between actual and expected investment returns, the difference between actual and expected experience, and the impact of any plan or assumption changes will be amortized and paid over future years.

Depletion Date (Cross-over Point) – The projected date (if any) where plan assets, including future contributions, are no longer sufficient to pay Projected Benefit Payments to current members.

Long-term expected rate of return – The rate of return based on the nature and mix of current and expected plan investments and over the time period from when an employee is hired to when all benefits to the employee have been paid.

Market Value of Assets – The market value of all assets in the fund including any accrued contribution for the previous plan year, which was not paid by the end of the year.

Measurement Date – The date the Total OPEB Liability, Fiduciary Net Position, and Net OPEB Liability are determined.

Net OPEB Liability (NOL) – The Total OPEB Liability less the Plan Fiduciary Net Position.

Normal Cost – For GASB 74/75 purposes, normal cost is the equivalent of service cost (see definition of service cost).

Other Post-Employment Benefits (OPEB) – Benefits (such as death benefits, life insurance, disability, and long-term care) that are paid in the period after employment and that are provided separately from a pension plan, as well as healthcare benefits paid in the period after employment, regardless of the manner in which they are provided. OPEB does not include termination benefits or termination payments for sick leave.

OPEB Expense (OE) – The change in the Net OPEB Liability (NOL) recognized in the current measurement period. Changes to the NOL not fully recognized in a given year's OPEB expense will be maintained as deferred inflows and deferred outflows. These will be recognized incrementally in the OPEB expense over time.

GLOSSARY

Plan assets – Stocks, bonds and other investments that have been segregated and restricted (usually in a trust) to provide for post-retirement benefits. Assets not segregated in a trust, or otherwise effectively restricted so that they cannot be used by the employer for other purposes, are not plan assets, even though it may be intended that those assets be used to provide post-retirement benefits.

Plan Fiduciary Net Position – The market value of plan assets as of the measurement date.

Present Value – The present value of a future payment or a series of payments is the amount of each payment, discounted to recognize the time value of money, and further reduced for the probability that the payment might not be made because of death, disability or termination of employment.

Projected Benefit Payments – All benefits projected to be payable to current active and inactive participants as a result of their past service and their expected future service.

Real Rate of Return – The rate of return on an investment after the adjustment to eliminate inflation.

Reporting Date – The date that represents the fiscal year end for the plan or employer.

Service Cost – The value of portion of Total OPEB Liability earned during the current year computed in accordance with GAAP accounting rules.

Single Equivalent Discount Rate – The single rate that gives the same total present value as discounting the Projected Benefit Payments with the long-term expected rate of return until the Depletion Date and discounting any remaining Projected Benefit Payments with the yield on a 20-year AA/Aa tax-exempt municipal bond index.

Total OPEB Liability (TOL) – The actuarial present value of the accrued benefit determined under the Entry Age actuarial cost method calculated using the blended Single Equivalent Discount Rate.

Valuation Date – The date as of which an actuarial valuation is performed.



Otsego County Road Commission Agenda Item Report

FROM: Rebecca Hilmert, Finance Manager
MEETING DATE: May 14, 2026
AGENDA ITEM: 8. B
SUBJECT: 2025 Year-End Act 51 Report

DESCRIPTION

Recipients of Michigan Transportation Funds (MTF) are required to report their annual revenue and expenditures to the Michigan Department of Transportation (MDOT). MDOT reviews the financial reports submitted by all local road agencies in Michigan and determines compliance with reporting requirements. The attached year-end Act 51 report accurately reflects the revenues and expenditures of all road work and funds by systems for the Otsego County Road Commission, and conforms with the requirements of Act 51, Public Acts of 1951, as amended.

BUDGET ACTION REQUIRED

N/A

LEGAL REVIEW

N/A

SAMPLE MOTION

Motion to **approve/deny** the Otsego County Road Commission 2025 year-end Act 51 report as submitted, to transfer \$1,676,917.23 from the County Road Commission Fund to the Primary Road Fund and authorize the chairman and finance manager to sign the attest form.

2025
FISCAL YEAR
ANNUAL FINANCIAL REPORT
BOARD OF COUNTY ROAD COMMISSIONERS
Otsego County
Michigan
Year Ended 2025

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

ATTEST

Chief Financial Officer

Chairman

Date

Year Ended - 2025

Start: 01/01/2025 End: 12/31/2025

BALANCE SHEET

Assets

General Operating Fund

1. Cash	\$9,198,910.00
2. Investments	0.00
3. Accounts Receivable :	
a. Michigan Transportation Fund	1,207,119.34
b. State Trunkline Maintenance	361,409.46
c. State Transportation Department - Other	16,451.07
d. Due on County Road Agreement	920.41
e. Due on Special Assesment	272.90
f. Sundry Accounts Receivable	1,512,507.17

Inventories/Pre-Paid Insurance/Other

	0.00
4. Deferred Expense State Aid	633,854.52
5. Road Materials	369,288.28
6. Equipment Materials and Parts	141,942.96
7. Prepaid Insurance	2,526,129.12
8. Deferred Expense - Federal Aid	240,927.75
9. Other	

10. TOTAL ASSETS

\$16,209,732.98

Year Ended - 2025

Start: 01/01/2025 End: 12/31/2025

Liabilities and Fund Balances

Liabilities

11. Accounts Payable	\$217,732.49
12. Notes Payable (Short Term)	0.00
13. Accrued Liability	162,145.19
14. Advances	416,920.00
15. Deferred Revenue - Special Assessment District	0.00
16. Deferred Revenue - EDF Forest Rd.(E)	0.00
17. Deferred Revenue	1,501,484.97
18. Other	27,396.97

Fund Balances

19. Primary Road Fund	0.00
20. Local Road Fund	1,471,733.73
21. County Road Commission Fund	12,412,319.63
22. Total Fund Balances	13,884,053.36

23. TOTAL LIABILITIES AND FUND BALANCES

\$16,209,732.98

Year Ended - 2025

Start: 01/01/2025 End: 12/31/2025

CAPITAL ASSETS ACCOUNT GROUP

<u>Assets</u>	(A)	(B)
24. Land		\$125,501.18
25. Land Improvements	\$13,398,340.52	
25 a.Less: Accumulated Depreciation	0.00	13,398,340.52
26. Depletable Assets	0.00	
26 a.Less: Accumulated Depreciation	0.00	0.00
27. Buildings	4,305,731.42	
27 a.Less: Accumulated Depreciation	(2,691,403.47)	1,614,327.95
28. Equipment - Road	11,711,299.80	
28 a.Less: Accumulated Depreciation	(9,583,875.96)	2,127,423.84
29. Equipment - Shop	97,486.33	
29 a.Less: Accumulated Depreciation	(96,325.47)	1,160.86
30. Equipment - Engineers	8,583.15	
30 a.Less: Accumulated Depreciation	(8,583.15)	0.00
31. Equipment - Yard and Storage	1,799.69	
31 a.Less: Accumulated Depreciation	(1,799.69)	0.00
32. Equipment and Furniture - Office	50,556.90	
32 a.Less: Accumulated Depreciation	(47,413.31)	3,143.59
33. Infrastructure	56,278,031.97	
33 a.Less: Accumulated Depreciation	(22,728,696.23)	33,549,335.74
34. Vehicles	0.00	
34 a.Less: Accumulated Depreciation	0.00	0.00
35. Construction Work in Progress		0.00
	36. Total Assets	\$50,819,233.68
 <u>Equities</u>		
37. Plant and Equipment Equity		
	37 a.Primary	0.00
	37 b.Local	0.00
	37 c.Co. Road Comm.	3,871,557.42
	37 d.Infrastructure	46,947,676.26
	38. Total Equities	\$50,819,233.68
 <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		265,264.51
42. Installment/Lease Purchase Payable		0.00
43. Other		(196,403.00)
	44. Total Liabilities	\$68,861.51
 <u>Fiduciary Fund</u>		
45. Deferred Compensation (Pension) Plan		\$1,959,446.83

Year Ended - 2025

Start: 01/01/2025 End: 12/31/2025

STATEMENT OF REVENUES

	Primary Road Fund (P)	Local Road Fund (L)	Co. Road Comm. Fund (C)	Total (T)
Taxes				
46. County Wide Millage	\$1,456,154.68	\$0.00	\$0.00	\$1,456,154.68
47. Other	0.00	0.00	0.00	0.00
48. Total Taxes	1,456,154.68	0.00	0.00	1,456,154.68
Licenses and Permits				
49. Specify	0.00	0.00	66,359.31	66,359.31
Federal Sources				
50. Surface Tran. Program (STP)	600,153.08	0.00	0.00	600,153.08
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	0.00	2,526,129.12	2,526,129.12
56. Total Federal Sources	600,153.08	0.00	2,526,129.12	3,126,282.20
STATE SOURCES				
Michigan Transportation Fund				
57. Engineering	6,249.19	3,750.81		10,000.00
58. Snow Removal	295,000.26	175,494.58		470,494.84
59. Urban Road	482,427.00	220,947.38		703,374.38
60. Allocation	4,105,215.31	2,463,984.96		6,569,200.27
61. Total MTF	4,888,891.76	2,864,177.73		7,753,069.49
Other				
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
Economic Development Fund				
65. Target Industries (A)	0.00	0.00		0.00
66. Urban Congestion (C)	0.00	0.00		0.00
67. Rural Primary (D)	254,256.85	0.00		254,256.85
68. Forest Road (E)	85,110.00	0.00		85,110.00
69. Urban Area (F)	0.00	0.00		0.00
70. Other	0.00	0.00		0.00
71. Total EDF	339,366.85	0.00		339,366.85
72. Total State Sources	\$5,228,258.61	\$2,864,177.73	\$0.00	\$8,092,436.34

Year Ended - 2025

Start: 01/01/2025 End: 12/31/2025

STATEMENT OF REVENUES

	Primary Road Fund (P)	Local Road Fund (L)	Co. Road Comm. Fund (C)	Total (T)
Contributions From Local Units				
73. City and Village	\$0.00	\$0.00	\$0.00	\$0.00
74. Township Contr.	0.00	522,945.41	0.00	522,945.41
75. Other	0.00	0.00	0.00	0.00
76. Total Contributions	<u>0.00</u>	<u>522,945.41</u>	<u>0.00</u>	<u>522,945.41</u>
Charges for Service				
77. Trunkline Maintenance	0.00		1,659,026.33	1,659,026.33
78. Trunkline Non-maintenance	0.00		1,555,837.44	1,555,837.44
79. Salvage Sales	0.00	0.00	2,714.85	2,714.85
80. Other	0.00	0.00	5,845.90	5,845.90
81. Total Charges	<u>0.00</u>	<u>0.00</u>	<u>3,223,424.52</u>	<u>3,223,424.52</u>
Interest and Rents				
82. Interest Earned	4,364.00	99,860.00	408,944.00	513,168.00
83. Property Rentals	0.00	0.00	29,905.91	29,905.91
84. Total Interest/Rents	<u>4,364.00</u>	<u>99,860.00</u>	<u>438,849.91</u>	<u>543,073.91</u>
Other				
85. Special Assessments	0.00	0.00	0.00	0.00
86. Land and Bldg. Sales	0.00	0.00	0.00	0.00
87. Sundry Refunds	0.00	0.00	0.00	0.00
88. Gain (Loss) Equip. Disp.	0.00	0.00	0.00	0.00
89. Contributions from Private Sources	0.00	0.00	0.00	0.00
90. Other	0.00	0.00	30,391.03	30,391.03
91. Total Other	<u>0.00</u>	<u>0.00</u>	<u>30,391.03</u>	<u>30,391.03</u>
Other Financing Sources				
92. County Appropriation	0.00	0.00	0.00	0.00
93. Bond Proceeds	0.00	0.00	0.00	0.00
94. Note Proceeds	0.00	0.00	0.00	0.00
95. Inst. Purch./Leases	0.00	0.00	0.00	0.00
96. Total Other Fin. Sources	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
97. TOTAL REVENUE AND OTHER FINANCING SOURCES	<u>\$7,288,930.37</u>	<u>\$3,486,983.14</u>	<u>\$6,285,153.89</u>	<u>\$17,061,067.40</u>

Year Ended - 2025

Start: 01/01/2025 End: 12/31/2025

STATEMENT OF EXPENDITURES

	Primary Road Fund (P)	Local Road Fund (L)	Co. Road Comm. Fund (C)	Total (T)
Construction/Capacity Improvement				
98. Roads	\$0.00	\$0.00		\$0.00
99. Structures	0.00	0.00		0.00
100. Roadside Parks	0.00	0.00		0.00
101. Special Assessments	0.00	0.00		0.00
102. Other	0.00	0.00		0.00
103. Total Construction/Cap. Imp.	0.00	0.00		0.00
Preservation - Structural Improvements				
104. Roads	3,426,690.70	1,858,670.82		5,285,361.52
105. Structures	0.00	0.00		0.00
106. Safety Projects	75,225.32	0.00		75,225.32
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.	3,501,916.02	1,858,670.82		5,360,586.84
Maintenance				
111. Roads	1,625,723.67	1,215,538.07		2,841,261.74
112. Structures	0.00	0.00		0.00
113. Roadside Parks	1,252.31	0.00		1,252.31
114. Winter Maintenance	3,552,614.62	1,773,079.84		5,325,694.46
115. Traffic Control	252,330.32	55,350.17		307,680.49
116. Total Maintenance	5,431,920.92	3,043,968.08		8,475,889.00
117. Total Construction, Preservation And Maintenance	8,933,836.94	4,902,638.90		13,836,475.84
Other				
118. Trunkline Maintenance	0.00		1,749,575.87	1,749,575.87
119. Trunkline Non-maintenance	0.00		1,547,336.26	1,547,336.26
120. Administrative Expense	298,432.80	163,771.55		462,204.35
121. Equipment - Net	(145,053.13)	(220,428.36)	(129,827.20)	(495,308.69)
122. Capital Outlay - Net	0.00	0.00	593,471.31	593,471.31
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	9,412.92	9,412.92
126. Other	0.00	0.00	0.00	0.00
127. Total Other	153,379.67	(56,656.81)	3,769,969.16	3,866,692.02
128. Total Expenditures	\$9,087,216.61	\$4,845,982.09	\$3,769,969.16	\$17,703,167.86

Year Ended - 2025

Start: 01/01/2025 End: 12/31/2025

STATEMENT OF CHANGES IN FUND BALANCES

	Primary Road Fund (P)	Local Road Fund (L)	Co. Road Comm. Fund (C)	Total (T)
129. Total Revenues And Other Financing Sources	\$7,288,930.37	\$3,486,983.14	\$6,285,153.89	\$17,061,067.40
130. Total Expenditures	9,087,216.61	4,845,982.09	3,769,969.16	17,703,167.86
131. Excess of Revenues Over (Under) Expenditures	<u>(1,798,286.24)</u>	<u>(1,358,998.95)</u>	<u>2,515,184.73</u>	<u>(642,100.46)</u>
132. Optional Transfers				
132 a. Primary to Local (50%)	0.00	0.00		0.00
132 b. Local to Primary (15%)	0.00	0.00		0.00
133. Emergency Transfers (Local to Primary)	0.00	0.00		0.00
134. Total Optional Transfers	0.00	0.00		0.00
135. Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	<u>(1,798,286.24)</u>	<u>(1,358,998.95)</u>	<u>2,515,184.73</u>	<u>(642,100.46)</u>
136. Beginning Fund	121,369.01	2,830,732.68	11,574,052.13	14,526,153.82
137. Adjustment	0.00	0.00	0.00	0.00
138. Beginning Fund Balance Restated	121,369.01	2,830,732.68	11,574,052.13	14,526,153.82
139. Interfund Transfer(County to Primary and/or Local)	1,676,917.23	0.00	(1,676,917.23)	0.00
140. Ending Fund Balance	<u>\$0.00</u>	<u>\$1,471,733.73</u>	<u>\$12,412,319.63</u>	<u>\$13,884,053.36</u>

Year Ended - 2025

Start: 01/01/2025 End: 12/31/2025

EQUIPMENT EXPENSE

Direct Equipment Expense

141. Labor and Fringe Benefits	\$266,108.97	
142. Depreciation	988,421.41	
143. Other	470,132.67	
144. Total Direct		1,724,663.05

145. Indirect Equipment Expense		595,948.11
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Operating Equipment Expense

146. Labor and Fringe Benefits	0.00	
147. Operating Expenses	438,920.52	
148. Total Operating		\$438,920.52

149. TOTAL EQUIPMENT EXPENSE \$2,759,531.68

Equipment Rental Credits:

	<u>Primary</u>	<u>Local</u>	<u>County</u>	<u>Total</u>
150. Construction/Capacity Improvement	0.00	0.00		0.00
151. Preservation - Structural Improvement	1,514.58	37,474.12		38,988.70
152. Maintenance	951,678.42	1,411,034.95		2,362,713.37
153. Inventory Operations	0.00	0.00	20,449.22	20,449.22
154. MDOT	0.00		783,859.32	783,859.32
155. Other Reimbursable Charges	0.00	0.00	0.00	0.00
156. All Other Charges	0.00	0.00	48,829.76	48,829.76
157. Total Equipment Rental Credits	953,193.00	1,448,509.07	853,138.30	3,254,840.37
	(A)	(B)	(C)	(D)
158. (Gain) or Loss on Usage of Equipment				(495,308.69)

PRORATION OF EQUIPMENT USAGE GAIN OR LOSS

(Net Equipment Expense)

159. Equipment Rental Credits	\$953,193.00	\$1,448,509.07	\$853,138.30	\$3,254,840.37
	(A)	(B)	(C)	(D)
160. Percent of Total	29.29 %	44.50 %	26.21 %	100.00 %
161. Prorated Total Equipment Expense	808,139.87	1,228,080.71	723,311.10	2,759,531.68
162. Prorated Gain/Loss On Usage (Net Equipment Expense)	(145,053.13)	(220,428.36)	(129,827.20)	(495,308.69)

Year Ended - 2025

Start: 01/01/2025 End: 12/31/2025

DISTRIBUTIVE EXPENSE - FRINGE BENEFITS

	Total Labor Charge	Distributive Calc.
163. Primary Construction/Cap. Imp.	\$0.00	\$0.00
164. Primary Preservation - Struct. Imp.	4,029.69	3,993.29
165. Primary Maintenance	378,617.10	375,196.86
166. Local Construction/Cap. Imp.	0.00	0.00
167. Local Preservation - Struct. Imp.	13,663.14	13,539.71
168. Local Maintenance	590,816.21	585,479.07
169. Inventory	6,640.87	6,580.88
170. Equipment Expense - Direct	266,108.97	263,705.07
171. Equipment Expense - Indirect	120,271.61	119,185.14
172. Equipment Expense - Operating	0.00	0.00
173. Administration	296,712.06	294,031.71
174. State Trunkline Maintenance	431,317.39	
175. Sundry Account Rec.	0.00	
176. Capital Outlay	0.00	0.00
177. Other	0.00	0.00
178. Total Payroll	\$2,108,177.04	
179. Less Applicable Payroll	(431,317.39)	
180. Total Applicable Labor Cost	\$1,676,859.65	Total Distributive \$1,661,711.73

	709-714 Vacation Holiday Sick Leave Longevity	719 Workers Comp. Insurance	715 - 718 Soc. Sec. Retirement	716 Health Insurance	717 Life and Disability Insurance	720 - 725 Other	Distributive Total Calc.
181. Total Fringe Benefits	\$201,907.96	\$18,525.74	\$1,033,263.44	\$723,920.32	\$36,165.57	\$380.00	\$2,014,163.03
182. Less: Benefits Recovered	0.00	0.00	0.00	0.00	0.00	(352,451.29)	(352,451.29)
183. Less: Refunds	0.00	0.00	0.00	0.00	0.00	0.00	0.00
184. Benefits to be Distributed	201,907.96	18,525.74	1,033,263.44	723,920.32	36,165.57	(352,071.29)	1,661,711.74
185. Applicable Labor Cost	1,676,859.65	1,676,859.65	1,676,859.65	1,676,859.65	1,676,859.65	1,676,859.65	
186. Factor	0.120408	0.011048	0.616190	0.431712	0.021567	(0.209959)	0.990966

Year Ended - 2025

Start: 01/01/2025 End: 12/31/2025

DISTRIBUTIVE EXPENSE - OVERHEAD
Account No. 705 - 957

	Cost of Operations	Distributed Total
187. Primary Construction/Cap. Imp.	\$0.00	\$0.00
188. Primary Preservation - Struct Imp.	3,449,003.93	48,918.95
189. Primary Maintenance	4,986,083.98	70,719.85
190. Local Construction/Cap. Imp.	0.00	0.00
191. Local Preservation - Struct. Imp.	1,819,326.74	25,804.42
192. Local Maintenance	2,424,165.64	34,382.90
193. Other	0.00	0.00
194. TOTAL	\$12,678,580.29	\$179,826.12

	790 Small Road Tools	791 Inventory Adjustment	882 Liability	716 Health Insurance	Other	Total
195. Expenses Distributed	11,476.21	14.71	35,974.30	0.00	132,360.90	\$179,826.12
196. Applicable Operation Cost	12,678,580.29	12,678,580.29	12,678,580.29	12,678,580.29	12,678,580.29	
197. Factor	0.000905	0.000001	0.002837	0.000000	0.010440	\$0.014183

Year Ended - 2025

Start: 01/01/2025 End: 12/31/2025

ANALYSIS OF CONSTRUCTION AND MAINTENANCE

Optional for noncontract counties

	Performed by County		Performed by Contractor		Totals	
	<u>Primary</u>	<u>Local</u>	<u>Primary</u>	<u>Local</u>	<u>Primary</u>	<u>Local</u>
198. Constr/Cap. Imp.	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
199. Preser - Struct. Imp.	0.00	278,123.89	3,501,916.02	1,580,546.93	3,501,916.02	1,858,670.82
200. Special Assessment	0.00	0.00	0.00	0.00	0.00	0.00
201. Maintenance	3,540,986.17	2,970,053.43	1,890,934.75	73,914.65	5,431,920.92	3,043,968.08
202. Total	\$3,540,986.17	\$3,248,177.32	\$5,392,850.77	\$1,654,461.58	\$8,933,836.94	\$4,902,638.90

Year Ended - 2025

Start: 01/01/2025 End: 12/31/2025

ANALYSIS OF ACCOUNTS RECEIVABLE

Optional for noncontract counties

	Trunkline Maintenance	MDOT Other
203. Labor	\$294,599.42	\$136,717.97
204. Fringe Benefits	334,203.57	18,247.72
205. Equipment Rental	752,777.47	31,081.85
206. Materials	1,896.00	0.00
207. Handling Charges	177,397.06	1,240,068.83
208. Overhead	188,702.35	121,219.89
209. Other	0.00	0.00
210. Total Charges for Current Year	\$1,749,575.87	\$1,547,336.26
211. Beginning Balance	297,577.17	71,740.19
212. Sub-Total	2,047,153.04	1,619,076.45
213. Less Credits	(1,685,743.58)	(1,602,625.38)
214. Ending Balance	\$361,409.46	\$16,451.07

Year Ended - 2025

Start: 01/01/2025 **End:** 12/31/2025

SCHEDULE OF CAPITAL OUTLAY

215. Land and Improvements (971 - 974)	\$0.00
216. Buildings (975)	0.00
217. Equipment Road (976, 981)	1,438,122.47
218. Equipment Shop (977)	0.00
219. Equipment Engineers (978)	0.00
220. Equipment - Yard and Storage (979)	0.00
221. Equipment Office (980)	3,712.27
222. Depletable Assets (987)	0.00
223. Total Capital Outlay:	<u>\$1,441,834.74</u>

	<u>Primary</u>	<u>Local</u>	<u>County</u>	<u>Total</u>
224. Total Capital Outlay:	0.00	0.00	1,441,834.74	1,441,834.74
225. Less: Equipment Retirements 689	0.00	0.00	0.00	0.00
226. Sub-total	0.00	0.00	1,441,834.74	1,441,834.74
227. Less: Depreciation and Depletion 968	0.00	0.00	(848,363.43)	(848,363.43)
228. Net Capital Outlay Expenditure	<u>\$0.00</u>	<u>\$0.00</u>	<u>\$593,471.31</u>	<u>\$593,471.31</u>

DISTRIBUTION OF GAIN OR LOSS ON DISPOSAL OF ASSETS

	<u>Primary</u>	<u>Local</u>	<u>County</u>	<u>Total</u>
229. Beginning Capital Asset Balance Prior Year's Report (Pg. 3)	0.00	0.00	16,614,049.70	16,614,049.70
230. Percentage of Total	0.00 %	0.00 %	100.00 %	100.00 %
231. Gain or (loss) on disposal of assets 693	0.00	0.00	0.00	0.00

Year Ended - 2025

Start: 01/01/2025 End: 12/31/2025

PRESERVATION EXPENDITURES - 90% OF MTF RETURNS

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

	Primary Road Fund	Local Road Fund	Total
232. Michigan Transportation Fund (MTF) Returns			\$7,753,069.49
DEDUCTIONS			
233. Administrative Expense (from Page 6 Expenditures)			462,204.35
234. Total Capital Outlay (from Page 13)			1,441,834.74
235. Debt Principal Payment (from Page 6 Expenditures)			0.00
236. Interest Expense (from Page 6 Expenditures)			0.00
236 a. Total Deductions			1,904,039.09
236 b. Adjusted MTF Returns			5,849,030.40
237. Preser - Struct Imp (from Page 6 Expenditures)	\$3,501,916.02	\$1,858,670.82	5,360,586.84
238. Routine Maintenance (from Page 6 Expenditures)	5,431,920.92	3,043,968.08	8,475,889.00
239. Less Federal Aid for Preser - Struct Imp	(600,153.80)	0.00	(600,153.80)
240. TOTAL RD EXPENSE (Excluding Fed Aid)	8,333,683.14	4,902,638.90	13,236,322.04
241. 90% of Adjusted MTF Returns			5,264,127.36

Year Ended - 2025

Start: 01/01/2025 End: 12/31/2025

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

Fiscal Year	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Expenditures (\$)	<u>419,216.64</u>	<u>164,542.36</u>	<u>244,727.03</u>	<u>128,764.58</u>	<u>0.00</u>
Fiscal Year	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
Expenditures (\$)	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
242. TOTAL					<u>\$957,250.61</u>

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

$$\underline{7,753,069.49} \times .10 = \underline{775,306.95}$$

Year Ended - 2025

Start: 01/01/2025 End: 12/31/2025

**INDIRECT EQUIPMENT AND STORAGE EXPENSE
Activity 511**

Account Number	Account Name	Amount Recorded
707	Wages - Shop and Garage	\$262,925.16
712-724	Fringe Benefits - Shop Employees	0.00
721	Drug Testing	6,331.75
728	Office Supplies - Shop	231.91
731	Janitor Supplies - Shop	3,214.57
733	Welding Supplies	2,222.58
734	Safety Supplies - Shop	3,135.61
736	Tire Shop Supplies	9,800.00
737	Shop Supplies	41,747.28
791	Equipment Material/Parts Inventory Adjustment	0.00
801	Contractual Services - Shop	0.00
805	Health Services	0.00
806	Laundry Services	4,356.83
807	Data Processing - Shop	0.00
810	Education Expense - Shop	0.00
850-859	Communications - Shop	4,954.71
861	Travel and Mileage - Shop Employees	0.00
862	Freight Costs	0.00
875	Insurance - Shop Buildings	36,245.70
876	Insurance - Boiler and Machine	0.00
878	Insurance - Fleet	12,718.50
883	Insurance - Underground Tank	0.00
921-923	Utilities - Shop and Storage Buildings	41,797.23
931	Buildings Repairs and Maintenance	53,368.63
932	Yard and Storage Repairs and Maintenance	3,108.11
933	Shop Equipment Repairs and Maintenance	0.00
934	Office Equipment Repairs and Maintenance	0.00
941	Equipment Rental - Shop Pickup/Wrecker	0.00
944-947	Underground Storage Tank Expense	0.00
956	Safety Expense - Shop	0.00
968	Depreciation - Shop Building	84,577.09
968	Depreciation - Storage Building	0.00
968	Depreciation - Shop Equipment	0.00
968	Depreciation - Stockroom Expense	0.00
707	Other:	25,212.45
	243. TOTAL	\$595,948.11

Year Ended - 2025

Start: 01/01/2025 End: 12/31/2025

ADMINISTRATIVE EXPENSE SCHEDULE AND ALLOCATION

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

Account Number	Account Name	Amount Recorded
703-708	Salaries and Wages	\$540,417.87
709-714	Administrative Leave	55,833.40
724	Fringe Benefits	0.00
727	Postage	1,431.45
728	Office Supplies	9,589.45
730	Dues and Subscriptions	23,474.51
801	Contractual Services	24,121.67
803	Legal Services	14,559.20
804	Auditing and Accounting Services	15,600.00
807	Data Processing	0.00
810	Education	0.00
850-853	Communications	3,395.54
861	Travel and Mileage	7,703.85
862	Freight	0.00
873	Public Relations	0.00
874	Advertising	0.00
875	Insurance - Building and Contents	46,272.65
876	Insurance - Boiler and Machinery	0.00
877	Insurance - Bonds	0.00
880	Insurance - Umbrella	2,228.10
881	Insurance - Errors and Omissions	13,530.25
882	Insurance - General Liability	0.00
920-923	Utilities	13,692.19
931	Building Repair/Maintenance	0.00
934	Office Equipment Repair/Maintenance	0.00
942	Building Rental	0.00
955-956	Miscellaneous	0.00
966-967	Overhead	0.00
968	Depreciation - Buildings	0.00
968	Depreciation - Engineering Equipment	0.00
968	Depreciation - Office Equipment and Furniture	0.00
	Other:	276.46
	244. TOTAL	\$772,126.59

Less: Credits to Administrative Expense

646	Handling Charges on Materials Sold	0.00
629	Overhead - State Trunkline Maintenance	(309,922.24)
691	Purchase Discounts	0.00
	Other:	0.00
	Total Credits to Administrative Expense	\$(309,922.24)
	<u>245. Net Administrative Expense</u>	<u>\$462,204.35</u>

Year Ended - 2025

Start: 01/01/2025 End: 12/31/2025

Forest Road Report

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

<u>Road Name</u>	<u>Location</u>	<u>Amount Spent (\$)</u>	<u>Project Type</u>
Sparr Road	Charlton Township	85,110.00	Reconstruction
		246. Total	
		<u>\$85,110.00</u>	

Year Ended - 2025

Start: 01/01/2025 End: 12/31/2025

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

CONSTRUCTION / CAPACITY IMPROVEMENTS

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

PRESERVATION - STRUCTURAL IMPROVEMENTS

	Primary System		Local System	
	*Unit	Expenditures	*Unit	Expenditures
ROADS				
251. Reconstruction	7.96 mi.	x \$3,323,007.00	0.00 mi.	\$0.00
252. Resurfacing	0.00 mi.	72,471.18	6.71 mi.	1,580,546.93
253. Gravel Surfacing	0.00 mi.	0.00	2.00 mi.	278,123.89
254. Paving Gravel Roads	0.00 mi.	0.00	0.00 mi.	0.00
SAFETY PROJECTS				
255. Intersection Improvements	3.00 ea.	75,225.32	0.00 ea.	0.00
256. Railroad Crossing Improvements	0.00 ea.	0.00	0.00 ea.	0.00
257. Other	0.00 ea.	31,212.52	0.00 ea.	0.00
MISCELLANEOUS				
258. Roadside Parks	0.00 ea.	0.00	0.00 ea.	0.00
259. Other	0.00 ea.	0.00	0.00 ea.	0.00
260. Subtotals		3,501,916.02		1,858,670.82
BRIDGES				
261. Replacement	0.00 ea.	0.00	0.00 ea.	0.00
262. Recondition or Repair	0.00 ea.	0.00	0.00 ea.	0.00
263. Replace with Culvert	0.00 ea.	0.00	0.00 ea.	0.00
264. Bridge Subtotals		0.00		0.00
265. TOTAL PRESERVATION - STRUCT IMP		\$3,501,916.02		\$1,858,670.82

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

Year Ended - 2025

Start: 01/01/2025 End: 12/31/2025

SCHEDULE OF TOWNSHIP MILEAGE AND POPULATION

Township	Local Roads			Primary Roads				
	Total Local (mi)	Local Urban (mi)	Funds Received (\$)	Total Primary (mi)	Primary Urban (mi)	Funds Received (\$)	Population Outside Municipalities	Funds Received (\$)
Bagley	70.02	39.36	341,874.77	23.70	17.64	362,963.63	5,867	133,767.60
Charlton	87.24	0.00	290,945.39	43.90	0.00	132,665.80	1,350	30,780.00
Chester	66.75	0.00	222,611.25	22.90	0.00	69,203.80	1,300	29,640.00
Corwith	104.55	0.00	348,674.26	48.88	0.00	147,715.36	1,210	27,588.00
Dover	28.52	0.00	95,114.20	17.06	0.00	51,555.32	632	14,409.60
Elmira	43.62	0.00	145,472.70	14.54	0.00	43,939.88	1,714	39,079.20
Hayes	77.91	0.00	259,829.86	17.27	0.00	52,189.94	2,725	62,130.00
Livingston	46.24	12.02	187,301.47	25.31	4.16	145,193.38	2,652	60,465.60
Otsego Lake	74.58	26.41	321,431.04	20.59	6.72	173,210.50	2,857	65,139.60
266. Totals	599.43	77.79	\$2,213,254.94	234.15	28.52	\$1,178,637.61	20,307	\$462,999.60

Local Road Rate Per Mile	3335	Primary Road Rate Per Mile	3022
Local Urban Road Rate Per Mile	2753	Primary Urban Road Rate Per Mile	16516
Population Rate Per Capita	22.8		

Year Ended - 2025

Start: 01/01/2025 End: 12/31/2025

SCHEDULE OF TOWNSHIP EXPENDITURES AND CONTRIBUTIONS
Expenditures

Township	Construction/ Capacity Improvement (\$)	Preservation - Struct Improvement (\$)	Total (\$)	Township Contributions* (\$)
Bagley	0.00	1,704,790.58	1,704,790.58	100,000.00
Charlton	0.00	1,053,077.53	1,053,077.53	0.00
Chester	0.00	484,343.30	484,343.30	0.00
Corwith	0.00	72,471.18	72,471.18	0.00
Dover	0.00	499,672.34	499,672.34	0.00
Elmira	0.00	0.00	0.00	0.00
Hayes	0.00	761,930.11	761,930.11	300,000.00
Livingston	0.00	781,539.69	781,539.69	122,025.00
Otsego Lake	0.00	51.17	51.17	920.41
267. Totals	\$0.00	\$5,357,875.90	\$5,357,875.90	\$522,945.41

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

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

Year Ended - 2025

Start: 01/01/2025 End: 12/31/2025

**ASSET MANAGEMENT
Projects Completed During the County Fiscal Year**

Work Type: Crush & Shape & Resurf

Project ID/Name	Total Project Cost	Date Open to Traffic	Pavement Type
Wilkinson Road	0.00	10/31/2025	Asphalt
Wilkinson Road Local	0.00	09/18/2025	Asphalt
Sparr Rd 2025	0.00	07/17/2025	Asphalt
Old Alba Rd & Plywood Road	0.00	10/21/2025	Asphalt
Pencil Lake Road	0.00	09/18/2025	Asphalt

Work Type: Hot Mixed Asphalt Resurfacing (One Course)

Project ID/Name	Total Project Cost	Date Open to Traffic	Pavement Type
AlDoRoVa	0.00	08/01/2025	Asphalt
5 Lakes Rd	0.00	05/09/2025	Asphalt
Mt Fredrick	0.00	09/19/2025	Asphalt

Year Ended - 2025

Start: 01/01/2025 End: 12/31/2025

Sub Ledger Report

Line: 9 Other (Identify)

Account	Description	Amount (\$)
020	Deferred Millage	0.00
040	Permits	0.00
078-4	FY21 MDOT Audit-Owed to State	0.00
078-8	Due from State-FEMA	0.00
084	OPEB Trust Fund Receivable	240,927.75
390	Adjustment	0.00

Line: 18 Other (Identify)

Account	Description	Amount (\$)
000	Adjustment	(0.79)
228	Due to State of Michigan	27,397.76
342	MERS Retiree HFV	0.00

Line: 43 Other - B

Account	Description	Amount (\$)
195-3	OPEB	(196,403.00)

Line: 49 Specify - County

Account	Description	Amount (\$)
450	Permits	66,359.31

Line: 55 FS-Other - County

Account	Description	Amount (\$)
501	FHIP COVID Fund	0.00
501-530	FEMA & Emergency Relief	2,526,129.12

Line: 63 OTH-Other - Local

Account	Description	Amount (\$)
546-1	Balance to audit report	0.00

Line: 63 OTH-Other - Primary

Account	Description	Amount (\$)
546-1	Balance to audit report	0.00

Line: 75 CFL-Other - County

Account	Description	Amount (\$)
675-Rd C	Rd Comm	0.00

Line: 75 CFL-Other - Primary

Account	Description	Amount (\$)
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Year Ended - 2025

Start: 01/01/2025 End: 12/31/2025

580	Huron Pines	0.00
675	Misc - Primary	0.00

Line: 80 SC-Other - County

Account	Description	Amount (\$)
626-01	Drain Commissioner	4,750.90
627-2	+/- State Audit Refund	0.00
646	Sign revenue	1,095.00

Line: 90 Other2 Other - County

Account	Description	Amount (\$)
671	Other-Oil Well	4,069.43
671-674	Contributions/Public	6,139.70
671-675	Timber Sales	16,226.92
676	Reimbursements	3,954.98

Line: 90 Other2 Other - Primary

Account	Description	Amount (\$)
580	Huron Pine	0.00

Line: 109 Other - Local

Account	Description	Amount (\$)
A488	Culvert Replace.	0.00

Line: 109 Other - Primary

Account	Description	Amount (\$)
A459	Culvert replacement	0.00

Line: 126 Other - County

Account	Description	Amount (\$)
A515	Admin reallocate	0.00

Line: 126 Other - Local

Account	Description	Amount (\$)
A515	Audit difference	0.00

Line: 126 Other - Primary

Account	Description	Amount (\$)
A515	Admin audit diff	0.00

Line: 137 Adjustment - County

Account	Description	Amount (\$)
257/390	FY23 Auditor OPEB/FB Adjust.	0.00

Year Ended - 2025

Start: 01/01/2025 End: 12/31/2025

Line: 143 Other - Primary

Account	Description	Amount (\$)
A510	Equipment	9,840.86
A510	Materials-Supplies	208,390.64
A510	Vouchers	252,743.64
A510	Receipts	(842.47)
A510	TV	0.00

Line: 156 All Other Charges - County

Account	Description	Amount (\$)
519	Drain Commissioner	45.21
A510	Direct	9,840.86
A511	Indirect	30,392.52
A514	Distributive	2,999.02
A515	Administrative	5,552.15

Line: 181 Total Fringe Benefits - Other

Account	Description	Amount (\$)
734	Safety	380.00
A513	Comp Time Taken	0.00

Line: 182 Less Benefits Recovered - Other

Account	Description	Amount (\$)
725	Trunkline Fringes Recovered	(352,451.29)

Line: 195 Expenses Distributed - Other

Account	Description	Amount (\$)
703-704	Msc labor	46,588.70
705	Engineering costs	32,809.00
734	Safety supplies	11,458.44
735	Signs/mailboxes	2,257.98
741	Misc road supplies	0.00
802	Engineer service	0.00
860	Education-training	0.00
861	Travel	0.00
968	Salt Shed Depreciation	38,826.48
969	Misc expense	420.30
990	Emergency Response	0.00

Line: 209 Other - Trunkline Maintenance

Account	Description	Amount (\$)
078-4	FY21 MDOT Audit-Owed to State	0.00
078-4	TWA Double Billing	0.00

Line: 243 707 Other

Account	Description	Amount (\$)
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Year Ended - 2025

Start: 01/01/2025 End: 12/31/2025

704	Meetings	4,355.55
732	Computer	6,221.00
741	Misc. Supplies	3,442.03
860	Education/Training	2,869.91
935	Shop small tools	8,323.96
936	Tire Chain Repairs	0.00

Line: 244 244 Other

Account	Description	Amount (\$)
969	Misc. Exp.	276.46

Line: 257 Other Primary System Expenditure

Account	Description	Amount (\$)
A466	Engineering Fees	31,212.52

Line: 259 Other Local System *Unit

Account	Description	Amount (\$)
A489	Culvert Replacement	0.00
A489	Engineering	0.00

Line: 259 Other Local System Expenditure

Account	Description	Amount (\$)
A489	Culvert Replacement	0.00
A489	Engineering	0.00

Line: 259 Other Primary System *Unit

Account	Description	Amount (\$)
A459	Culverts	0.00
A459	Guardrail	0.00
A459	Engineering	0.00

Line: 259 Other Primary System Expenditure

Account	Description	Amount (\$)
A459	Culvert replacement	0.00
A459	Guardrail Installation	0.00
A459	Engineering	0.00



Otsego County Road Commission Agenda Item Report

FROM: David Fox, Facilities & Equipment Supervisor
MEETING DATE: May 14, 2026
AGENDA ITEM: 8. C
SUBJECT: Equipment Disposal

DESCRIPTION

Request for Board approval of the disposal of two (2) chainsaws and one (1) radio/gps.

BUDGET ACTION REQUIRED

N/A

LEGAL REVIEW

N/A

SAMPLE MOTION

Motion to **approve/deny** the disposal of two (2) chainsaws, equipment numbers 350-29 and 350-33, and one (1) radio/gps, equipment number 400.1064.