Antrim County Road Commission

Annual Report
to the
Antrim County Board of Commissioners
For the 2023 Fiscal Year

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Introduction

The Antrim County Road Commission (ACRC) maintains 210 miles of primary county roads and 663 miles of local county roads. Also, the Michigan Department of Transportation (MDOT) contracts with the ACRC to perform routine maintenance on 98 miles of state trunkline (M 32, M 66, M 88, US 31 and US 131). In the county system, approximately 700 miles are maintained year round; 556 miles are paved, 144 miles are gravel, leaving 173 miles of seasonal roads (not open to public travel for the months of November through April).

The ACRC's primary responsibility is to provide reasonably safe roads for the motoring public. As will be shown in detail in this report, we also work to make improvements where the townships desire to provide better roads for their constituents. In more recent years, townships are shifting money to preventive maintenance to preserve the investments they have made in these improvements.

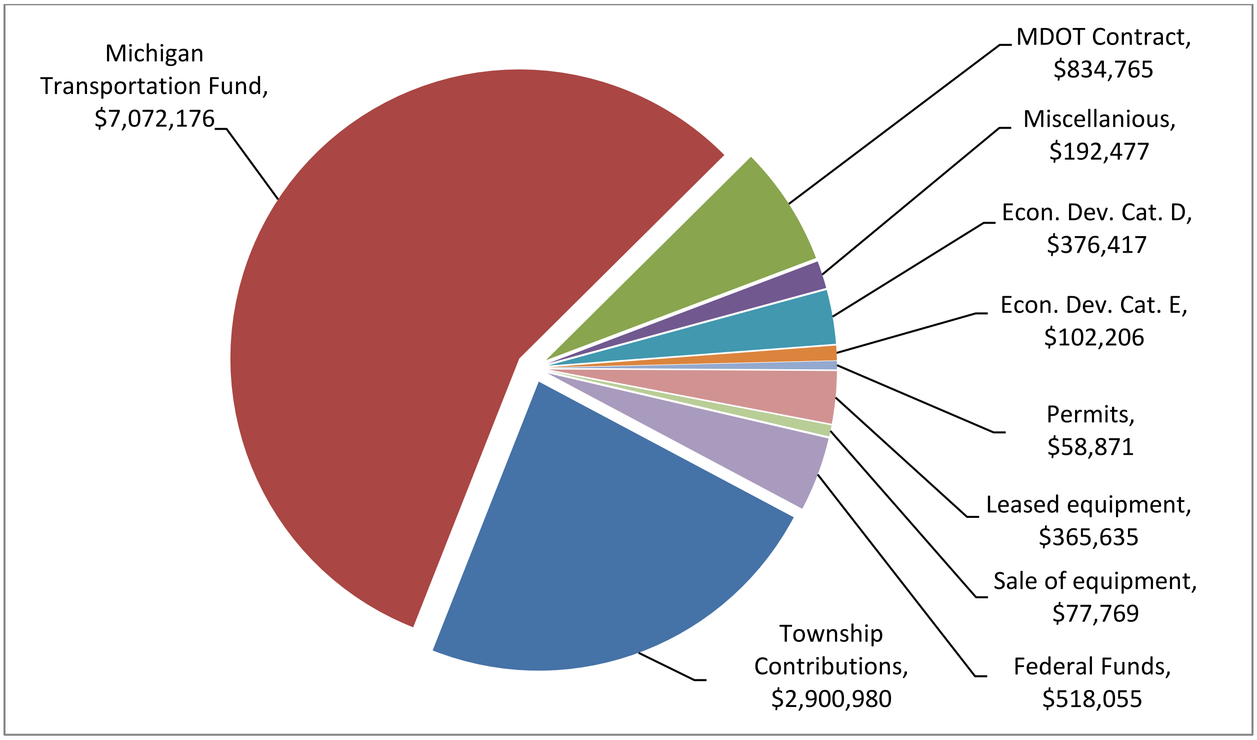
This report will expand on and discuss some of the major financial items that are reported through audits or other mandated reporting. A short discussion on jobs completed during the year along with the current status and needs of our roads, equipment and facilities.

The revenue and expense information provided in the following pages can also be found in the Annual Financial Report (Act 51 Report) that is filed with the MDOT as required by Act 51, Public Acts of 1951, as amended. This report is included as Appendix A. Also included in this report, as Appendix B, is the Financial Report for the fiscal year ending on December 31, 2023 (audit). Appendix C is a list of projects completed.

Revenues

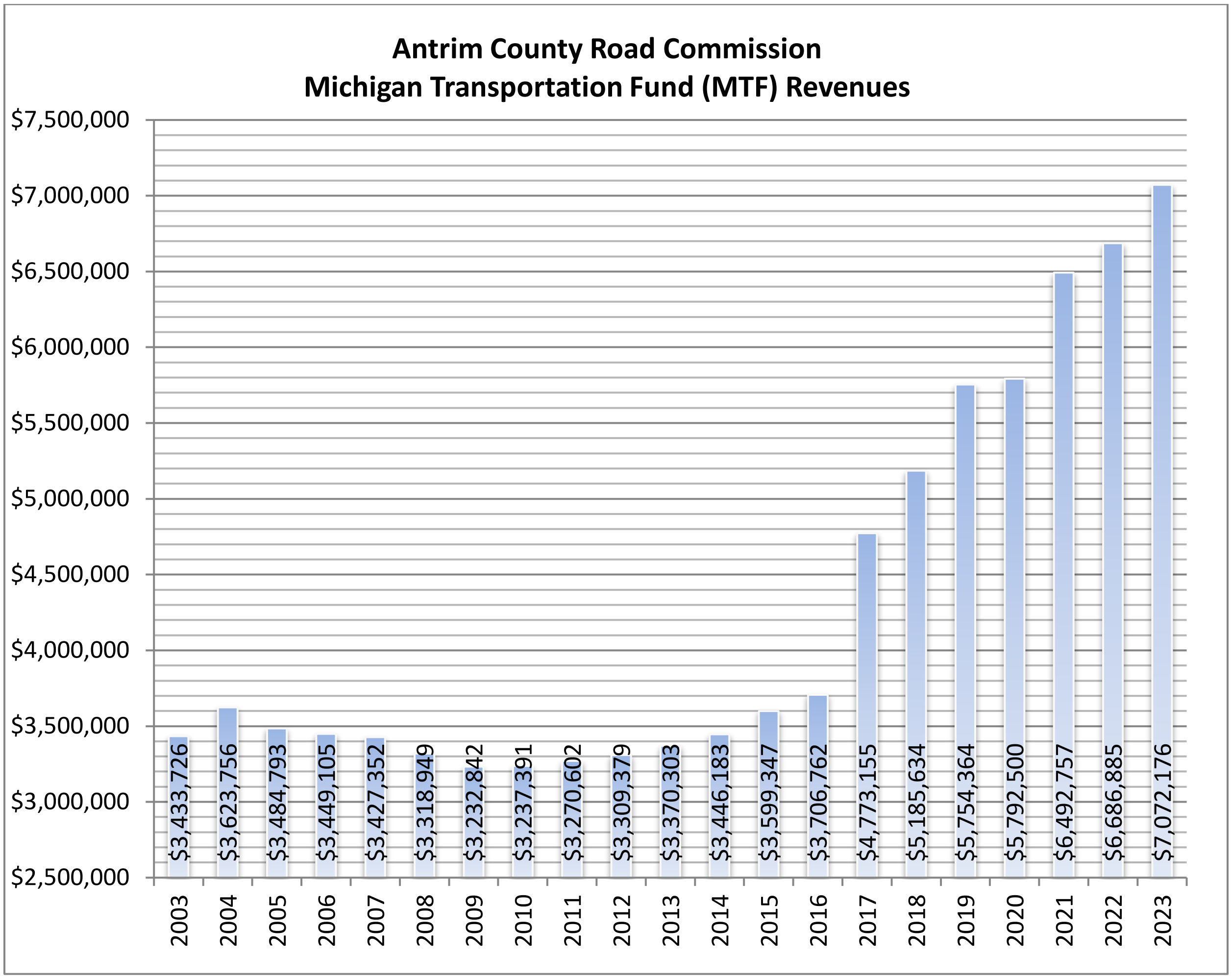
Total revenue received was $12,499,352 in 2023. This is considerably lower than 2022 revenues but still higher that usual. The main source of revenue is the Michigan Transportation Fund (MTF) which is the primary fund used for all routine maintenance and operating expenses. At over $7 million it is 57% of all revenue and is up by $385,000 over 2022 MTF. Township contributions were up significantly by $1.5 million and amounted to 23% of the total. 2023 revenues received are shown in Chart 1 below.

Chart 1 – Revenues



The MTF is the primary source of funding for all road agencies in Michigan. Revenues from gasoline tax, diesel fuel tax and vehicle registration fees make up most of the MTF and beginning in state fiscal year 2018/2019 a deposit from state income tax is adding to it. Chart 2, on next page, shows MTF revenues received by the ACRC over the last 20 years.

Chart 2 – Michigan Transportation Fund Revenues

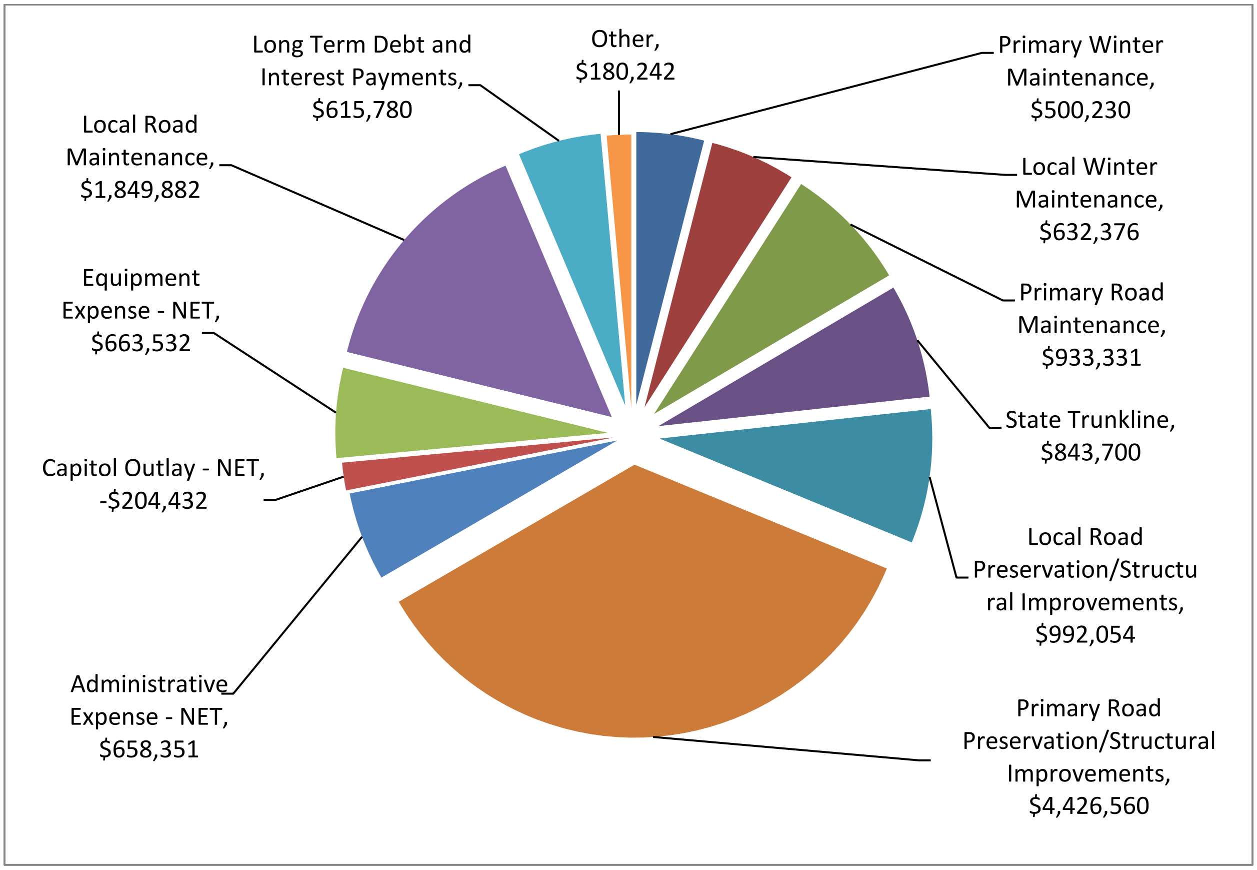


Between 1997 and 1998, gasoline tax was increased from 15¢ per gallon to 19¢ per gallon. On January 1, 2017, fuel taxes were increased to 26.3¢ per gallon and vehicle registration fees were increased by about 20%. Beginning in January of 2022 and every January thereafter, the fuel tax is increased by the rate of inflation or 5¢ per gallon, whichever is lower. As of January 2024, we have now seen three such inflation based increases in the fuel tax which is now 30.0¢ per gallon. Gasoline consumption is trending downward since around 2001 due to increased fuel efficiency and, to a small degree, electric vehicles.

Expenses

Total 2023 expenses were $12,091,608, down $3.6 million from 2022. Several things contributed to this, such as less for winter maintenance, less large primary preservation projects and mostly we had a large expense for the Central Lake garage in 2022. Chart 3 shows the breakdown of major expense items.

Chart 3 – Major Expense Categories



Primary and Local Road Maintenance includes routine maintenance such pot hole patching, gravel road grading and dust control, roadside mowing, etc. Pavement preventive maintenance is included in this category and include such treatments as thin hot mix asphalt overlays, crack filling and chip sealing. Preservation/Structural Improvements include paving gravel roads, hot mix asphalt overlays thicker that one and one half inch, three inches or more of aggregate on a gravel road, etc. Snow and ice control is one of the single largest expenses under the local and primary road maintenance expenditures.

State Trunkline

State highway maintenance totaled $843,700 in 2023, down from $1,428,816 in 2022 but much closer to normal. This decrease is mostly due to extra maintenance contracts that ACRC administered on behalf of MDOT in 2022, which there were none in 2023. The MDOT contracts with the ACRC for all routine maintenance needs on the state trunklines in the county. ACRC provides winter maintenance, patching, shoulder maintenance, tree and vegetation control and other routine or reactive work. All work is paid for monthly as incurred and is audited to actual cost after the fiscal year.

Road Projects

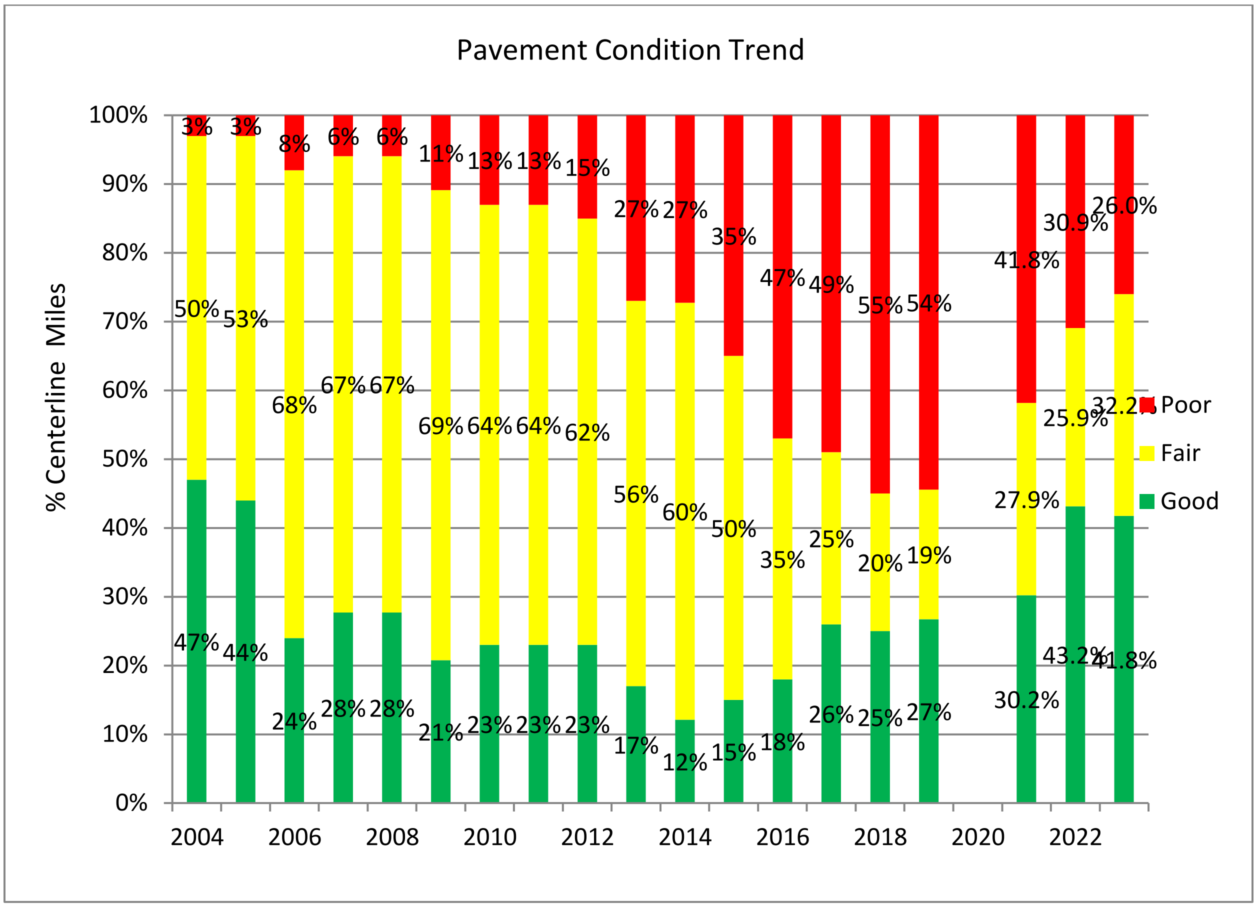
Township requested road projects completed in 2023 was up over $700,000 more than in 2022 at $2,900,980. A new township cost share policy was adopted by the ACRC which began in 2019. This new policy created an allocation to each township based on population and local county road mileage in each township. Each year once the state legislature and governor pass a budget for the next fiscal year and the amount of income tax redirected to the MTF is established, the ACRC will decide the total amount of MTF that if feels can be shared with the townships. That total amount is then allocated through the formula that the ACRC established in this new policy. This formula then allocates 34% based on population of each township and 65% based on total local county road miles in each township. This new policy better addresses the needs rather than the means. The old policy rewarded townships that spent more, or had a higher tax base, but not necessarily the needs. Since the inception of this cost share policy in 2019, the ACRC has allocated $3.2 million for township selected projects through 2024.

A list of road projects is included in Appendix C.

County Road Pavement Conditions

Since 2003 we have been evaluating and rating our Federal Aid eligible paved road system in Michigan. Since the start, the ACRC has been involved in this annual rating on the county primary roads and the state highway systems. Ratings did not occur in 2020 due to the COVID-19 pandemic. Chart 6 shows the Federal Aid eligible county primary road pavement condition trends for the last 20 years. We are seeing a nice trend in the last six years in that we are decreasing the miles of poor condition roads. We hope that we can continue this trend, however, this may not be sustainable with road construction inflation increasing significantly.

Chart 4 – Federal Aid Eligible Primary County Road Surface Condition Trend



This chart represents 178 centerline miles of primary road, being only the roads that are eligible for federal aid and therefore have been rated every year since 2003. There are 32 miles of primary road that are not federal aid eligible.

County Road Needs

The estimate of needed work on the paved county road system is around $49 million. We have gained on this estimated cost with significant road work in the past year as this was $58 million. Inflation is having a substantial impact on the cost of road construction and maintenance. This does not address the needs on the gravel and seasonal roads.

Facility Needs

The ACRC maintains garages in Mancelona, Central Lake and Kewadin. The administrative office is located at the main garage in Mancelona.

The new Central Lake truck and equipment storage garage is complete and fully operational.

All other facilities are in good shape and we continue to perform routine maintenance to keep them in good shape.

Staff

During 2023 we had a full staff. There will be several retirements in the next few years.

Appendix A
Annual Financial Report for 2023
(Act 51 Report)

2023

FISCAL YEAR

ANNUAL FINANCIAL REPORT

BOARD OF COUNTY ROAD COMMISSIONERS

Antrim County

Michigan

Year Ended 2023

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

Jessica Harp

Chief Financial Officer

Chairman

6/18/24

Date

Antrim

Year Ended - 2023

Start: 01/01/2023 **End:** 12/31/2023

BALANCE SHEET

Assets

General Operating Fund

1. Cash	$1,646,863.64	
2. Investments	500,789.65	
3. AccountsReceivable :		
a. Michigan Transportation Fund	1,218,335.88	
b. State Trunkline Maintenance	107,835.26	
c. State Transportation Department - Other	0.00	
d. Due on County Road Agreement	0.00	
e. Due on Special Assessement	0.00	
f. Sundry Accounts Receivable	3,546.93	
Inventories/Pre-Paid Insurance/Other		
4. Deferred Expense State Aid	0.00	
5. Road Materials	904,374.59	
6. Equipment Materials and Parts	180,811.43	
7. Prepaid Insurance	46,176.00	
8. Deferred Expense - Federal Aid	0.00	
9. Other	29,864.50	
10. TOTAL ASSETS		**$4,638,597.88**

Antrim

Year Ended - 2023

Start: 01/01/2023 **End:** 12/31/2023

Liabilities and Fund Balances

Liabilities

11. Accounts Payable	$603,677.00	
12. Notes Payable (Short Term)	0.00	
13. Accrued Liability	79,664.75	
14. Advances	407,511.00	
15. Deferred Revenue - Special Assessment District	0.00	
16. Deferred Revenue - EDF Forest Rd.(E)	0.00	
17. Deferred Revenue	0.00	
18. Other	0.00	

Fund Balances

19. Primary Road Fund	73,531.49	
20. Local Road Fund	11,645.67	
21. County Road Commission Fund	3,462,567.97	
22. Total Fund Balances	3,547,745.13	
23. TOTAL LIABILITIES AND FUND BALANCES		**$4,638,597.88**

Year Ended - 2023

Start: 01/01/2023 **End:** 12/31/2023

CAPITAL ASSETS ACCOUNT GROUP

Assets	(A)	(B)	
24. Land		$261,759.09	
25. Land Improvements	$0.00		
25 a.Less: Accumulated Depreciation	0.00	0.00	
26. Depletable Assets	70,886.00		
26 a.Less: Accumulated Depreciation	(70,886.00)	0.00	
27. Buildings	6,729,877.96		
27 a.Less: Accumulated Depreciation	(1,772,728.28)	4,957,149.68	
28. Equipment - Road	10,579,323.93		
28 a.Less: Accumulated Depreciation	(8,756,261.17)	1,823,062.76	
29. Equipment - Shop	337,138.64		
29 a.Less: Accumulated Depreciation	(246,534.14)	90,604.50	
30. Equipment - Engineers	114,471.14		
30 a.Less: Accumulated Depreciation	(78,844.35)	35,626.79	
31. Equipment - Yard and Storage	1,049,391.46		
31 a.Less: Accumulated Depreciation	(1,001,513.74)	47,877.72	
32. Equipment and Furniture - Office	173,075.61		
32 a.Less: Accumulated Depreciation	(135,988.81)	37,086.80	
33. Infrastructure	57,437,722.00		
33 a.Less: Accumulated Depreciation	(13,575,243.00)	43,862,479.00	
34. Vehicles	0.00		
34 a.Less: Accumulated Depreciation	0.00	0.00	
35. Construction Work in Progress		0.00	
	36. Total Assets		**$51,115,646.34**

Equities

37. Plant and Equipment Equity			
	37 a.Primary	0.00	
	37 b.Local	0.00	
	37 c.Co. Road Comm.	7,253,167.34	
	37 d.Infrastructure	43,862,479.00	
	38. Total Equities		**$51,115,646.34**

Long Term Debt

39. Bonds Payable (Act 51)		3,745,000.00	
40. Notes Payable (Act 143)		0.00	
41. Vested Vacation and Sick Leave Payable		154,591.71	
42. Installment/Lease Purchase Payable		288,805.60	
43. Other		0.00	
	44. Total Liabilities		**$4,188,397.31**

Fiduciary Fund

45. Deferred Compensation (Pension) Plan	**$0.00**

Year Ended - 2023

Start: 01/01/2023 **End:** 12/31/2023

STATEMENT OF REVENUES

	Primary Road Fund (P)	Local Road Fund (L)	Co. Road Comm. Fund (C)	Total (T)
Taxes				
46. County Wide Millage	$0.00	$0.00	$0.00	$0.00
47. Other	0.00	0.00	0.00	0.00
48. Total Taxes	0.00	0.00	0.00	0.00
Licenses and Permits				
49. Specify	0.00	0.00	58,871.14	58,871.14
Federal Sources				
50. Surface Tran. Program (STP)	0.00	0.00	0.00	0.00
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	0.00	0.00
56. Total Federal Sources	0.00	0.00	0.00	0.00
STATE SOURCES				
Michigan Transportation Fund				
57. Engineering	5,998.79	4,001.21		10,000.00
58. Snow Removal	289,177.57	313,275.71		602,453.28
59. Urban Road	0.00	0.00		0.00
60. Allocation	3,875,054.38	2,584,668.31		6,459,722.69
61. Total MTF	4,170,230.74	2,901,945.23		7,072,175.97
Other				
62. Local Bridge	0.00	0.00		0.00
63. Other	0.00	0.00	698,297.30	698,297.30
64. Total Other	0.00	0.00	698,297.30	698,297.30
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)	376,417.00	0.00		376,417.00
68. Forest Road (E)	102,206.18	0.00		102,206.18
69. Urban Area (F)	0.00	0.00		0.00
70. Other	0.00	0.00		0.00
71. Total EDF	478,623.18	0.00		478,623.18
72. Total State Sources	$4,648,853.92	$2,901,945.23	$698,297.30	$8,249,096.45

Year Ended - 2023

Start: 01/01/2023 **End:** 12/31/2023

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.	2,249,575.19	651,405.24	0.00	2,900,980.43
75. Other	0.00	3,076.69	0.00	3,076.69
76. Total Contributions	2,249,575.19	654,481.93	0.00	2,904,057.12
Charges for Service				
77. Trunkline Maintenance	0.00		834,444.08	834,444.08
78. Trunkline Non-maintenance	0.00		320.59	320.59
79. Salvage Sales	0.00	0.00	4,074.55	4,074.55
80. Other	0.00	0.00	0.00	0.00
81. Total Charges	0.00	0.00	838,839.22	838,839.22
Interest and Rents				
82. Interest Earned	797.69	38.74	4,247.28	5,083.71
83. Property Rentals	0.00	0.00	0.00	0.00
84. Total Interest/Rents	797.69	38.74	4,247.28	5,083.71
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	77,768.96	77,768.96
89. Contributions from Private Sources	0.00	0.00	0.00	0.00
90. Other	0.00	0.00	0.00	0.00
91. Total Other	0.00	0.00	77,768.96	77,768.96
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	365,635.11	365,635.11
96. Total Other Fin. Sources	0.00	0.00	365,635.11	365,635.11
97. TOTAL REVENUE AND OTHER FINANCING SOURCES	**$6,899,226.80**	**$3,556,465.90**	**$2,043,659.01**	**$12,499,351.71**

Year Ended - 2023

Start: 01/01/2023 **End:** 12/31/2023

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	4,420,377.02	990,116.50		5,410,493.52
105. Structures	6,183.46	1,937.14		8,120.60
106. Safety Projects	0.00	0.00		0.00
107. Roadside Parks	0.00	0.00		0.00
108. Special Assessments	0.00	0.00		0.00
109. Other	0.00	0.00		0.00
110. Total Preservation - Struct. Imp.	4,426,560.48	992,053.64		5,418,614.12
Maintenence				
111. Roads	899,031.95	1,785,467.81		2,684,499.76
112. Structures	375.58	2,082.72		2,458.30
113. Roadside Parks	0.00	0.00		0.00
114. Winter Maintenance	500,230.34	632,376.22		1,132,606.56
115. Traffic Control	33,923.46	62,331.74		96,255.20
116. Total Maintenance	1,433,561.33	2,482,258.49		3,915,819.82
117. Total Construction, Preservation And Maintenance	5,860,121.81	3,474,312.13		9,334,433.94
Other				
118. Trunkline Maintenance	843,700.19		0.00	843,700.19
119. Trunkline Non-maintenance	0.00		0.00	0.00
120. Administrative Expense	413,310.14	245,040.71		658,350.85
121. Equipment - Net	201,266.55	349,392.16	112,873.23	663,531.94
122. Capital Outlay - Net	0.00	0.00	(204,431.65)	(204,431.65)
123. Debt Principal Payment	0.00	0.00	501,297.52	501,297.52
124. Interest Expense	0.00	0.00	114,482.86	114,482.86
125. Drain Assessment	0.00	0.00	0.00	0.00
126. Other	0.00	0.00	180,242.00	180,242.00
127. Total Other	1,458,276.88	594,432.87	704,463.96	2,757,173.71
128. Total Expenditures	**$7,318,398.69**	**$4,068,745.00**	**$704,463.96**	**$12,091,607.65**

Year Ended - 2023

Start: 01/01/2023 **End:** 12/31/2023

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	$6,899,226.80	$3,556,465.90	$2,043,659.01	$12,499,351.71
130. Total Expenditures	7,318,398.69	4,068,745.00	704,463.96	12,091,607.65
131. Excess of Revenues Over (Under) Expenditures	(419,171.89)	(512,279.10)	1,339,195.05	407,744.06
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	(419,171.89)	(512,279.10)	1,339,195.05	407,744.06
136. Beginning Fund	492,703.38	23,924.77	2,623,372.92	3,140,001.07
137. Adjustment	0.00	0.00	0.00	0.00
138. Beginning Fund Balance Restated	492,703.38	23,924.77	2,623,372.92	3,140,001.07
139. Interfund Transfer(County to Primary and/or Local)	0.00	500,000.00	(500,000.00)	0.00
140. Ending Fund Balance	$73,531.49	$11,645.67	$3,462,567.97	$3,547,745.13

Year Ended - 2023

Start: 01/01/2023 **End:** 12/31/2023

EQUIPMENT EXPENSE

Direct Equipment Expense

141. Labor and Fringe Benefits	$279,433.04		
142. Depreciation	882,362.51		
143. Other	400,522.02		
144. Total Direct		1,562,317.57	
145. Indirect Equipment Expense		885,647.04	
Operating Equipment Expense			
146. Labor and Fringe Benefits	0.00		
147. Operating Expenses	439,264.67		
148. Total Operating		$439,264.67	
149. TOTAL EQUIPMENT EXPENSE			$2,887,229.28

Equipment Rental Credits:

	Primary	Local	County	Total
150. Construction/Capacity Improvement	0.00	0.00		0.00
151. Preservation - Structural Improvement	234,768.76	225,856.03		460,624.79
152. Maintenance	439,736.67	945,063.36		1,384,800.03
153. Inventory Operations	0.00	0.00	92,946.31	92,946.31
154. MDOT	0.00		241,528.82	241,528.82
155. Other Reimbursable Charges	0.00	0.00	1,509.55	1,509.55
156. All Other Charges	0.00	0.00	42,287.84	42,287.84
157. Total Equipment Rental Credits	674,505.43	1,170,919.39	378,272.52	2,223,697.34
	(A)	(B)	(C)	(D)
158. (Gain) or Loss on Usage of Equipment				663,531.94

PRORATION OF EQUIPMENT USAGE GAIN OR LOSS

(Net Equipment Expense)

159. Equipment Rental Credits	$674,505.43	$1,170,919.39	$378,272.52	$2,223,697.34
	(A)	(B)	(C)	(D)
160. Percent of Total	30.33 %	52.66 %	17.01 %	100.00 %
161. Prorated Total Equipment Expense	875,771.98	1,520,311.55	491,145.75	2,887,229.28
162. Prorated Gain/Loss On Usage (Net Equipment Expense)	201,266.55	349,392.16	112,873.23	663,531.94

DISTRIBUTIVE EXPENSE - FRINGE BENEFITS

	Total Labor Charge		Distributive Calc.
163. Primary Construction/Cap. Imp.	$0.00		$0.00
164. Primary Preservation - Struct. Imp.	111,963.83		146,718.87
165. Primary Maintenance	240,622.96		315,315.46
166. Local Construction/Cap. Imp.	0.00		0.00
167. Local Preservation - Struct. Imp.	79,175.66		103,752.79
168. Local Maintenance	475,047.37		622,508.23
169. Inventory	25,065.22		0.00
170. Equipment Expense - Direct	120,945.06		158,487.98
171. Equipment Expense - Indirect	140,400.54		183,982.71
172. Equipment Expense - Operating	0.00		0.00
173. Administration	259,421.34		289,021.68
174. State Trunkline Maintenance	192,311.86		
175. Sundry Account Rec.	106.39		
176. Capital Outlay	4,130.05		5,412.07
177. Other	608,179.05		168,243.90
178. Total Payroll	$2,257,369.33		
179. Less Applicable Payroll	0.00		
180. Total Applicable Labor Cost	$2,257,369.33	Total Distributive	$1,993,443.69

	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	$282,121.35	$46,425.55	$1,052,410.02	$804,497.01	$31,976.64	$4,018.15	$2,221,448.72
182. Less: Benefits Recovered	(26,783.25)	(4,407.42)	(117,022.09)	(76,375.10)	(3,035.71)	(381.46)	(228,005.03)
183. Less: Refunds	0.00	0.00	0.00	0.00	0.00	0.00	0.00
184. Benefits to be Distributed	255,338.10	42,018.13	935,387.93	728,121.91	28,940.93	3,636.69	1,993,443.69
185. Applicable Labor Cost	1,300,675.45	1,560,096.79	1,560,096.79	1,560,096.79	1,560,096.79	1,560,096.79	
186. Factor	0.196312	0.026933	0.599570	0.466716	0.018551	0.002331	1.310413

Year Ended - 2023

Start: 01/01/2023 **End:** 12/31/2023

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.	4,369,009.13	76,874.45
189. Primary Maintenance	1,438,533.72	25,311.66
190. Local Construction/Cap. Imp.	0.00	0.00
191. Local Preservation - Struct. Imp.	985,403.97	17,338.58
192. Local Maintenance	2,497,615.63	43,946.55
193. Other	0.00	0.00
194. TOTAL	$9,290,562.45	$163,471.24

	790 Small Road Tools	791 Inventory Adjustment	882 Liability	716 Health Insurance	Other	Total
195. Expenses Distributed	1,391.79	(179,773.80)	19,960.00	296,166.74	10,893.23	$148,637.96
196. Applicable Operation Cost	9,290,562.45	9,290,562.45	9,290,562.45	9,290,562.45	9,290,562.45	
197. Factor	0.000150	(0.019350)	0.002148	0.031878	0.001173	$0.015999

Year Ended - 2023

Start: 01/01/2023 **End:** 12/31/2023

ANALYSIS OF CONSTRUCTION AND MAINTENANCE

Optional for noncontract counties

	Performed by County		Performed by Contractor		Totals	
	Primary	**Local**	**Primary**	**Local**	**Primary**	**Local**
198. Constr/Cap. Imp.	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
199. Preser - Struct. Imp.	1,175,843.21	559,326.30	3,250,717.27	432,727.34	4,426,560.48	992,053.64
200. Special Assessment	0.00	0.00	0.00	0.00	0.00	0.00
201. Maintenance	1,213,123.65	2,306,011.37	220,437.68	176,247.12	1,433,561.33	2,482,258.49
202. Total	$2,388,966.86	$2,865,337.67	$3,471,154.95	$608,974.46	$5,860,121.81	$3,474,312.13

Antrim

Year Ended - 2023

Start: 01/01/2023 **End:** 12/31/2023

ANALYSIS OF ACCOUNTS RECEIVABLE

Optional for noncontract counties

	Trunkline Maintenance	MDOT Other
203. Labor	$241,528.82	$0.00
204. Fringe Benefits	201,522.08	0.00
205. Equipment Rental	192,311.86	0.00
206. Materials	128,428.53	0.00
207. Handling Charges	0.00	0.00
208. Overhead	79,908.90	0.00
209. Other	0.00	0.00
210. Total Charges for Current Year	$843,700.19	$0.00
211. Beginning Balance	124,218.34	0.00
212. Sub-Total	967,918.53	0.00
213. Less Credits	(860,083.27)	0.00
214. Ending Balance	$107,835.26	$0.00

Year Ended - 2023

Start: 01/01/2023 **End:** 12/31/2023

SCHEDULE OF CAPITAL OUTLAY

215. Land and Improvements (971 - 974)	$0.00
216. Buildings (975)	528,507.98
217. Equipment Road (976, 981)	801,242.82
218. Equipment Shop (977)	0.00
219. Equipment Engineers (978)	0.00
220. Equipment - Yard and Storage (979)	0.00
221. Equipment Office (980)	1,483.78
222. Depletable Assets (987)	0.00
223. Total Capital Outlay:	$1,331,234.58

	Primary	Local	County	Total
224. Total Capital Outlay:	0.00	0.00	1,331,234.58	1,331,234.58
225. Less: Equipment Retirements 689	0.00	0.00	(425,461.04)	(425,461.04)
226. Sub-total	0.00	0.00	905,773.54	905,773.54
227. Less: Depreciation and Depletion 968	0.00	0.00	(1,110,205.19)	(1,110,205.19)
228. Net Capital Outlay Expenditure	$0.00	$0.00	$(204,431.65)	$(204,431.65)

DISTRIBUTION OF GAIN OR LOSS ON DISPOSAL OF ASSETS

	Primary	Local	County	Total
229. Beginning Capital Asset Balance Prior Year's Report (Pg. 3)	0.00	0.00	7,457,650.44	7,457,650.44
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	77,768.96	77,768.96

Year Ended - 2023

Start: 01/01/2023 **End:** 12/31/2023

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			$7,072,175.97
DEDUCTIONS			
233. Administrative Expense (from Page 6 Expenditures)			658,350.85
234. Total Capital Outlay (from Page 13)			1,331,234.58
235. Debt Principal Payment (from Page 6 Expenditures)			501,297.52
236. Interest Expense (from Page 6 Expenditures)			114,482.86
236 a. Total Deductions			2,605,365.81
236 b. Adjusted MTF Returns			4,466,810.16
237. Preser - Struct Imp (from Page 6 Expenditures)	$4,426,560.48	$992,053.64	5,418,614.12
238. Routine Maintenance (from Page 6 Expenditures)	1,433,561.33	2,482,258.49	3,915,819.82
239. Less Federal Aid for Preser - Struct Imp	0.00	0.00	0.00
240. TOTAL RD EXPENSE (Excluding Fed Aid)	5,860,121.81	3,474,312.13	9,334,433.94
241. 90% of Adjusted MTF Returns			4,020,129.14

Year Ended - 2023

Start: 01/01/2023 **End:** 12/31/2023

TEN YEARS OF QUALIFIED EXPENDITURES FOR NON MOTORIZED IMPROVEMENTS

(for Compliance with Section 10K of Act 51)

Fiscal Year	2014	2015	2016	2017	2018
Expenditures ($)	322,701.65	0.00	49,000.00	0.00	200,000.00

Fiscal Year	2019	2020	2021	2022	2023
Expenditures ($)	0.00	165,982.44	0.00	228,507.20	500,000.00

242. TOTAL $1,466,191.29

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

7,072,175.97 x .10 = 707,217.60

Year Ended - 2023

Start: 01/01/2023 **End:** 12/31/2023

INDIRECT EQUIPMENT AND STORAGE EXPENSE
Activity 511

Account Number	Account Name	Amount Recorded
707	Wages - Shop and Garage	$140,400.54
712-724	Fringe Benefits - Shop Employees	183,982.71
721	Drug Testing	4,640.07
728	Office Supplies - Shop	0.00
731	Janitor Supplies - Shop	8,086.44
733	Welding Supplies	5,280.50
734	Safety Supplies - Shop	0.00
736	Tire Shop Supplies	14,815.42
737	Shop Supplies	43,051.84
791	Equipment Material/Parts Inventory Adjustment	11,904.76
801	Contractual Services - Shop	0.00
805	Health Services	0.00
806	Laundry Services	6,349.13
807	Data Processing - Shop	0.00
810	Education Expense - Shop	13.01
850-859	Communications - Shop	6,441.60
861	Travel and Mileage - Shop Employees	0.00
862	Freight Costs	0.00
875	Insurance - Shop Buildings	83,980.40
876	Insurance - Boiler and Machine	0.00
878	Insurance - Fleet	0.00
883	Insurance - Underground Tank	0.00
921-923	Utilities - Shop and Storage Buildings	64,201.30
931	Buildings Repairs and Maintenance	67,883.77
932	Yard and Storage Repairs and Maintenance	30,743.48
933	Shop Equipment Repairs and Maintenance	2,657.01
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	11,964.09
968	Depreciation - Shop Building	167,886.19
968	Depreciation - Storage Building	0.00
968	Depreciation - Shop Equipment	21,705.62
968	Depreciation - Stockroom Expense	9,659.16
707	Other:	0.00
	243. TOTAL	$885,647.04

Year Ended - 2023

Start: 01/01/2023 **End:** 12/31/2023

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	$257,024.01
709-714	Administrative Leave	0.00
724	Fringe Benefits	289,021.68
727	Postage	1,221.12
728	Office Supplies	5,598.71
730	Dues and Subscriptions	13,671.07
801	Contractual Services	0.00
803	Legal Services	12,572.55
804	Auditing and Accounting Services	14,813.00
807	Data Processing	48,491.56
810	Education	9,001.53
850-853	Communications	12,737.29
861	Travel and Mileage	11,182.30
862	Freight	0.00
873	Public Relations	0.00
874	Advertising	169.80
875	Insurance - Building and Contents	0.00
876	Insurance - Boiler and Machinery	0.00
877	Insurance - Bonds	0.00
880	Insurance - Umbrella	0.00
881	Insurance - Errors and Omissions	0.00
882	Insurance - General Liability	0.00
920-923	Utilities	5,645.00
931	Building Repair/Maintenance	383.15
934	Office Equipment Repair/Maintenance	0.00
942	Building Rental	0.00
955-956	Miscellaneous	24,523.41
966-967	Overhead	0.00
968	Depreciation - Buildings	0.00
968	Depreciation - Engineering Equipment	5,685.84
968	Depreciation - Office Equipment and Furniture	22,905.87
	Other:	6,892.00
	244. TOTAL	$741,539.89

Less: Credits to Administrative Expense

646	Handling Charges on Materials Sold	0.00
629	Overhead - State Trunkline Maintenance	(79,908.90)
691	Purchase Discounts	(48.50)
	Other:	(3,231.64)
	Total Credits to Administrative Expense	$(83,189.04)
	245. Net Administrative Expense	$658,350.85

Year Ended - 2023

Start: 01/01/2023 **End:** 12/31/2023

Forest Road Report

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

Road Name	Location	Amount Spent ($)	Project Type
Eddy School Road	Kearney & Chestonia	102,206.18	Reconstruction
	246. Total	$102,206.18	

Year Ended - 2023

Start: 01/01/2023 **End:** 12/31/2023

CONSTRUCTION / CAPACITY IMPROVEMENTS / STRUCTURAL IMPROVEMENTS
Summary

CONSTRUCTION / CAPACITY IMPROVEMENTS

	Primary System			Local System		
ROADS	*Unit		Expenditures	*Unit		Expenditures
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		
ROADS	*Unit		Expenditures	*Unit		Expenditures
251. Reconstruction	6.67	mi.	x $2,609,482.38	0.00	mi.	$0.00
252. Resurfacing	10.86	mi.	1,694,955.34	0.58	mi.	215,305.51
253. Gravel Surfacing	0.98	mi.	115,939.30	3.13	mi.	299,487.63
254. Paving Gravel Roads	0.00	mi.	0.00	1.64	mi.	475,323.36
SAFETY PROJECTS						
255. Intersection Improvements	0.00	ea.	0.00	0.00	ea.	0.00
256. Railroad Crossing Improvements	0.00	ea.	0.00	0.00	ea.	0.00
257. Other	0.00	ea.	0.00	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			4,420,377.02			990,116.50
BRIDGES						
261. Replacement	0.00	ea.	0.00	0.00	ea.	0.00
262. Recondition or Repair	0.00	ea.	6,183.46	0.00	ea.	1,937.14
263. Replace with Culvert	0.00	ea.	0.00	0.00	ea.	0.00
264. Bridge Subtotals			6,183.46			1,937.14
265. TOTAL PRESERVATION - STRUCT IMP			$4,426,560.48			$992,053.64

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

Year Ended - 2023

Start: 01/01/2023 **End:** 12/31/2023

SCHEDULE OF TOWNSHIP MILEAGE AND POPULATION

	Local Roads			Primary Roads				
	Miles Outside Municipalities			Miles Outside Municipalities				
Township	**Total Local (mi)**	**Local Urban (mi)**	**Funds Received ($)**	**Total Primary (mi)**	**Primary Urban (mi)**	**Funds Received ($)**	**Population Outside Municipalities**	**Funds Received ($)**
BANKS	56.58	0.00	185,978.47	28.14	0.00	84,026.04	1,221	27,472.50
CENTRAL LAKE	36.84	0.00	121,093.08	20.11	0.00	60,048.46	1,199	26,977.50
CHESTONIA	32.45	0.00	106,663.15	5.94	0.00	17,736.84	512	11,520.00
CUSTER	45.41	0.00	149,262.67	14.93	0.00	44,580.98	1,150	25,875.00
ECHO	57.58	0.00	189,265.47	22.23	0.00	66,378.78	952	21,420.00
ELK RAPIDS	8.94	0.00	29,385.78	5.28	0.00	15,766.08	992	22,320.00
FOREST HOME	32.25	0.00	106,005.75	20.96	0.00	62,586.56	1,205	27,112.50
HELENA	25.40	0.00	83,489.80	17.16	0.00	51,239.76	937	21,082.50
JORDAN	28.79	0.00	94,632.73	10.95	0.00	32,696.70	887	19,957.50
KEARNEY	44.17	0.00	145,186.78	14.47	0.00	43,207.42	1,197	26,932.50
MANCELONA	145.98	0.00	479,836.25	17.64	0.00	52,673.04	2,967	66,757.50
MILTON	47.89	0.00	157,414.43	17.70	0.00	52,852.20	2,355	52,987.50
STAR	76.38	0.00	251,061.05	8.15	0.00	24,335.90	1,028	23,130.00
TORCH LAKE	19.36	0.00	63,636.32	5.05	0.00	15,079.30	1,212	27,270.00
WARNER	33.80	0.00	111,100.60	1.72	0.00	5,135.92	364	8,190.00
266. Totals	691.82	0.00	$2,274,012.33	210.43	0.00	$628,343.98	18,178	$409,005.00

Local Road Rate Per Mile	3287	Primary Road Rate Per Mile	2986
Local Urban Road Rate Per Mile	2843	Primary Urban Road Rate Per Mile	17059
Population Rate Per Capita	22.5		

Year Ended - 2023

Start: 01/01/2023 **End:** 12/31/2023

SCHEDULE OF TOWNSHIP EXPENDITURES AND CONTRIBUTIONS
Expenditures

Township	Construction/ Capacity Improvement ($)	Preservation - Struct Improvement ($)	Total ($)	Township Contributions* ($)
BANKS	0.00	658,708.61	658,708.61	509,553.19
CENTRAL LAKE	0.00	320,779.79	320,779.79	276,424.71
CHESTONIA	0.00	0.00	0.00	37,500.00
CUSTER	0.00	433,288.41	433,288.41	387,654.49
ECHO	0.00	60,248.03	60,248.03	16,720.00
ELK RAPIDS	0.00	108,792.28	108,792.28	86,745.22
FOREST HOME				
HELENA	0.00	171,301.15	171,301.15	143,514.49
JORDAN	0.00	2,960.71	2,960.71	280,000.00
KEARNEY	2,609,482.38	388.23	2,609,870.61	400,000.00
MANCELONA	0.00	117,261.43	117,261.43	21,599.00
MILTON	0.00	126,001.38	126,001.38	76,491.03
STAR	0.00	180,067.69	180,067.69	128,186.24
TORCH LAKE	0.00	590,209.80	590,209.80	518,301.77
WARNER	0.00	39,124.23	39,124.23	18,290.29
267. Totals	**$2,609,482.38**	**$2,809,131.74**	**$5,418,614.12**	**$2,900,980.43**

*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 - 2023

Start: 01/01/2023 **End:** 12/31/2023

ASSET MANAGEMENT
Projects Completed During the County Fiscal Year

Work Type: Add 4" 23A & regrade

Project ID/Name	Total Project Cost	Date Open to Traffic	Pavement Type
459.2311	118,095.79	08/31/2023	Gravel
489.2323	26,118.37	10/16/2023	Gravel
489.2331	32,654.65	08/11/2023	Gravel
489.2335	61,265.22	10/05/2023	Gravel
489.2337	39,641.42	08/31/2023	Gravel

Work Type: Add 6" 23A & regrade

Project ID/Name	Total Project Cost	Date Open to Traffic	Pavement Type
489.2325	25,288.86	08/21/2023	Gravel
489.2339	119,045.73	10/12/2023	Gravel

Work Type: Crush & Shape - 2" 4EL + 1.5" 5EL

Project ID/Name	Total Project Cost	Date Open to Traffic	Pavement Type
459.2301	2,615,800.39	08/22/2023	Asphalt

Work Type: Crush & Shape - 2" HMA (220) 5EL

Project ID/Name	Total Project Cost	Date Open to Traffic	Pavement Type
459.2303	318,998.14	09/08/2023	Asphalt
459.2305	109,534.88	09/07/2023	Asphalt
459.2307	909,735.87	09/30/2023	Asphalt

Work Type: Overband crack fill

Project ID/Name	Total Project Cost	Date Open to Traffic	Pavement Type
504.2320	1,832.01	08/31/2023	Asphalt
504.2322	2,789.97	08/31/2023	Asphalt

Year Ended - 2023

Start: 01/01/2023 **End:** 12/31/2023

Work Type: Overlay - 2" HMA (220) 5EL

Project ID/Name	Total Project Cost	Date Open to Traffic	Pavement Type
459.2313	170,486.86	10/17/2023	Asphalt
489.2329	56,769.17	09/08/2023	Asphalt
489.2333	76,829.55	09/15/2023	Asphalt

Work Type: Overlay - Wedge + 1.5" 5EL HMA

Project ID/Name	Total Project Cost	Date Open to Traffic	Pavement Type
459.2309	193,538.80	10/13/2023	Asphalt
489.2317	83,849.95	08/08/2023	Asphalt

Work Type: Pave Gravel - 3" 23A, 220 PSY 5EL

Project ID/Name	Total Project Cost	Date Open to Traffic	Pavement Type
489.2321	71,602.59	09/19/2023	Asphalt

Work Type: Pave Gravel - 4" 22A 220 PSY 5EL

Project ID/Name	Total Project Cost	Date Open to Traffic	Pavement Type
489.2319	95,553.78	08/08/2023	Asphalt

Work Type: Pave Gravel - 6" 22A, 220 PSY 5EL

Project ID/Name	Total Project Cost	Date Open to Traffic	Pavement Type
489.2327	312,116.77	09/05/2023	Asphalt

Year Ended - 2023

Start: 01/01/2023 **End:** 12/31/2023

Sub Ledger Report

Line: 3 Sundry Accounts Receivable

Account	Description	Amount ($)
040-1	SUNDRY A/R	0.00
072	A R COUNTIES	0.00
0770	A/R VILLAGES	3,546.93

Line: 9 Other (Identify)

Account	Description	Amount ($)
0078-4	MDOT STL AUDIT	0.00
0123-1	OTHER PREPAIDS	29,864.50

Line: 18 Other (Identify)

Account	Description	Amount ($)
0339-2	DEFERRED INFLOWS	0.00

Line: 49 Specify - County

Account	Description	Amount ($)
451	ROAD USE	27,375.14
461	TRANSPORTATION PERMITS	31,496.00

Line: 55 FS-Other - County

Account	Description	Amount ($)
0501	FEDERAL ARPA REVENUE	0.00

Line: 63 OTH-Other - County

Account	Description	Amount ($)
583	SALE OF FEDERAL AID	518,055.30
671	OTHER STATE	180,242.00

Line: 63 OTH-Other - Local

Account	Description	Amount ($)
556	STATE GRANTS OTHER	0.00

Line: 63 OTH-Other - Primary

Account	Description	Amount ($)
556	STATE GRANT OTHER	0.00

Line: 75 CFL-Other - County

Account	Description	Amount ($)
671	OTHER CONTRIBUTIONS	0.00

Line: 75 CFL-Other - Local

Account	Description	Amount ($)
671	Other Contributions	3,076.69

Line: 75 CFL-Other - Primary

Account	Description	Amount ($)
671	OTHER CONTRIBUTIONS	0.00

Line: 80 SC-Other - County

Account	Description	Amount ($)
0687	Sundry Refunds	0.00

Line: 126 Other - County

Account	Description	Amount ($)
521	NON ROAD RELATED PROJECTS	180,242.00

Line: 143 Other - Primary

Account	Description	Amount ($)
510	EQUIPMENT EXPENSES DIRECT	400,522.02

Line: 156 All Other Charges - County

Account	Description	Amount ($)
510	EQUIPMENT EXPENSE DIRECT	3,080.45
511	INDIRECT EQ EXP	36,318.00
513	DISTRIBUTIVE FRINGE	841.95
514	DISTRIBUTIVE EXPENSE	1,085.92
977	CAPITAL OUTLAY	961.52

Line: 177 Other - Distributive Calculation

Account	Description	Amount ($)
514	OTHER DISTRIBUTIVE	168,243.90

Line: 177 Other - Total Labor Charge

Account	Description	Amount ($)
076-1	DUE FROM COUNTY	0.00
077	DUE FROM VILLAGES	256.30
257	ACCRUED WAGES	3,159.61
513	DISTRIBUTIVE FRINGES	476,373.16
514	OTHER DISTRIBUTIVE	128,389.98

Line: 181 Total Fringe Benefits - Other

Account	Description	Amount ($)
720	UNEMPLOYMENT	4,004.00
956	SAFETY PROGRAM	14.15

Year Ended - 2023

Start: 01/01/2023 **End:** 12/31/2023

Line: 182 Less Benefits Recovered - Other

Account	Description	Amount ($)
720	UNEMPLOYMENT	(380.00)
956	SAFETY PROGRAM	(1.46)

Line: 195 Expenses Distributed - Other

Account	Description	Amount ($)
931	SALT FACILITY	1,514.20
936	SIGN SHOP	9,379.03

Line: 209 Other - MDOT Other

Account	Description	Amount ($)
078	NON MAINT	0.00

Line: 209 Other - Trunkline Maintenance

Account	Description	Amount ($)
517	To Balance	0.00

Line: 242 Expenditure10

Account	Description	Amount ($)
458	Eddy School Road	500,000.00

Line: 243 707 Other

Account	Description	Amount ($)
790	SMALL TOOLS	0.00

Line: 244 244 Other

Account	Description	Amount ($)
515-728	ENGINEERING SUPPLIES	1,907.00
515-731	CLEANING SUPPLIES	4,485.00
515-841	BANKING FEES	500.00

Line: 245 245 Other

Account	Description	Amount ($)
515-0630	OVERHEAD OTHER	(3,231.64)

Line: 259 Other Local System Expenditure

Account	Description	Amount ($)
488	251470.42	0.00

Appendix B
Financial Report for 2023
(Audit)

ANTRIM COUNTY ROAD COMMISSION

FINANCIAL REPORT

DECEMBER 31, 2023

ANTRIM COUNTY

BOARD OF COUNTY ROAD COMMISSIONERS

Godfrey Hoogerhyde - Chairman

Dieter Amos - Vice Chairman

Kevin Giar - Commissioner

Burt R. Thompson, P.E. - Engineer/Manager

Jessica Harp - Finance Manager

Kelly Sexton - Office/HR Manager

ANTRIM COUNTY ROAD COMMISSION
TABLE OF CONTENTS

Tyler J. Watters, P.C.
Certified Public Accountant

P.O. Box 188 • Roscommon, MI 48653
Phone: (517) 285-7295 • E-mail: tyler@watterscpa.com

INDEPENDENT AUDITOR'S REPORT

May 20, 2024

Board of County Road Commissioners
Antrim County Road Commission
Mancelona, Michigan 49659

Report on the Audit of the Financial Statements

Opinions

I have audited the accompanying financial statements of the governmental activities and major fund and the aggregate remaining fund information of the Antrim County Road Commission, as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the Road Commission's basic financial statements as listed in the table of contents.

In my opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the major fund of the Antrim County Road Commission, as of December 31, 2023, 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

I conducted my audit in accordance's 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. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. I am required to be independent of the Antrim County Road Commission and to meet my other ethical responsibilities, in accordance with the relevant ethical requirements relating to my audit. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my 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 Road 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

My 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 my 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*, I:

- Exercise professional judgement 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 Road 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 my judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Road Commission's ability to continue as a going concern for a reasonable period of time.

I am 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 I 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, employee retirement and benefit systems, and budgetary comparison information on pages 5-10 and 39-48 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. I 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 my inquiries, the basic financial statements, and other knowledge I obtained during my audit of the basic financial statements. I do not express an opinion or provide any assurance on the information because the limited procedures do not provide me with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

My audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Antrim County Road Commission's basic financial statements. The accompanying supplementary and related information is 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 my opinion, the accompanying supplementary and related information 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*, I have also issued my report dated May 20, 2024, on my consideration of the Antrim County Road Commission's internal control over financial reporting and on my tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is solely to describe the scope of my 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 the Antrim County Road Commission's 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 the Antrim County Road Commission internal control over financial reporting and compliance.

Tyler Watters CPA

TYLER J. WATTERS, P.C.
CERTIFIED PUBLIC ACCOUNTANT

ANTRIM COUNTY ROAD COMMISSION
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2023

Our discussion and analysis of Antrim County Road Commission's financial performance provides an overview of the Road Commission's financial activities for the fiscal year ended December 31, 2023. This annual report consists of a series of financial statements. The Statement of Net Position and the Statement of Activities provide information about the activities of the Road Commission and present a longer-term view of the Road Commission's finances. Fund financial statements tell how these services were financed in the short-term, as well as what remains for future spending. Fund financial statements also report the road commission's operations in more detail than a government-wide financial statements.

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of four parts - Management's Discussion and Analysis (this section), the Basic Financial Statements, Required Supplementary Information, and an additional section that presents the operating fund broken down between primary, local and county funds. The basic financial statements include two types of statements that present different views of the Road Commission:

The first statements are government-wide financial statements that provide both long-term and short-term information about the Road Commission's overall financial status. These statements report information about the Road Commission as a whole using accounting methods similar to those used by private-sector companies. The Statement of Net Position includes all of the government's assets, deferred outflows of resources, liabilities and deferred inflows of resources. All of the current year's revenues and expenses are accounted for in the Statement of Activities regardless of when cash is received or paid. The two government-wide statements report the Road Commission's net position and how they have changed. "Net Position" is the difference between the assets and liabilities - this is one way to measure the Road Commission's financial health or position.

The remaining statements are fund financial statements that focus on individual funds; reporting the operations in more detail than the government-wide statements.

REPORTING THE ROAD COMMISSION AS A WHOLE

Government-Wide Statements

The Statement of Net Position and the Statement of Activities report information about the Road Commission, as a whole, and about its activities in a way that helps answer the question of whether the Road Commission, as a whole, is better off or worse off as a result of the year's activities. The Statement of Net Position includes all of the Road Commission's assets and liabilities using the accrual basis of accounting, which is similar to the accounting method used by most private-sector companies. All of the current year's revenues and expenses are accounted for in the Statement of Activities regardless of when cash is received or paid.

The two statements, mentioned above, report the Road Commission's net position and how they have changed. The reader can think of the Road Commission's net position (the difference between assets and liabilities) as one way to measure the Road Commission's financial health or financial position. Over time, increases or decreases in the Road Commission's net position are one indicator of whether its financial health is improving or deteriorating, respectively. To assess the overall health of the Road Commission you need to consider additional nonfinancial factors such as changes in the county's property tax base, the condition of the Road Commission's roads, and changes in the law related to the gas taxes and its distribution.

Fund Financial Statements

The Road Commission currently has two fund types; the general operations fund and fiduciary funds. All of the Road Commission's activities are accounted for in these funds. Our analysis of the Road Commission's general fund begins on this page. The fund financial statements begin on page 13 and provide detailed information about the major fund.

Governmental funds focus on how money flows into and out of this fund and the balances left at year end that are available for spending. This fund is reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the Road Commission's general governmental operations and the basic service it provides. Governmental fund information helps the reader to determine whether there are more or fewer financial resources that can be spent in the near future to finance the Road Commission's services. We describe the relationship (or differences) between governmental activities (reported in the Statement of Net Position and Statement of Activities) and the governmental fund in a reconciliation following the fund financial statements.

The Road Commission is responsible for ensuring that the assets reported in the fiduciary funds are used for their intended purposes. All of the Road Commission's fiduciary activities are reported in a separate statement of fiduciary net position and a statement of changes in fiduciary net position. We exclude these activities from the Road Commission's government-wide financial statements because the Road Commission cannot use these assets to finance its operations.

FINANCIAL ANALYSIS OF THE ROAD COMMISSION AS A WHOLE

The Road Commission's net position increased with a change from $37,338,896 to $41,386,023 as of December 31, 2023. The net position is summarized below.

Net Position

Restricted net position are those net assets that have constraints placed on them by either: a) by creditors, grantors, contributors, or laws or regulations of other governments; b) by law through constitutional provisions or enabling legislation. Enabling legislation authorizes the government to assess, levy, charge or otherwise mandate payment of resources and includes a legally enforceable requirement that those resources be used for only the specific purpose stipulated in the legislation. As such, all assets (except for assets invested in capital assets, net of related debt) are considered restricted.

The investment in capital assets, net of related debt, was $43,669,427 at December 31, 2022 and $47,301,170 as of December 31, 2023. The increase in net position invested in capital assets is primarily the result of capitalizing infrastructure of $5,418,614 and equipment purchases offset by the annual depreciation expense. The restricted net position increased by $415,384 during the current year. The Road Commission had a $779,405 decrease in revenues stemming from a decrease in capital grants and charges for services offset by an increase in operating grants. Total expenses decreased by $928,792.

Net position as of year ended December 31, 2023, and December 31, 2022:

	12/31/2023	12/31/2022	Increase/ Decrease
Current and Other Assets	$ 4,638,599	$ 3,855,438	$ 783,161
Capital Assets (Net)	51,115,696	47,615,316	3,500,380
Total Assets	55,754,295	51,470,754	4,283,541
Deferred Outflows of Resources	1,106,883	1,987,559	(880,676)
Long-Term Debt Outstanding	13,171,877	14,203,192	(1,031,315)
Other Liabilities	1,495,621	865,223	630,398
Total Liabilities	14,667,498	15,068,415	(400,917)
Deferred Inflows of Resources	807,657	1,051,002	(243,345)
Net Position			
Invested in Capital Assets	47,301,170	43,669,427	3,631,743
Restricted	(5,915,147)	(6,330,531)	415,384
Total Net Position	$ 41,386,023	$ 37,338,896	$ 4,047,127

Changes in Net Position

A summary of changes in net position follows:

	12/31/2023	12/31/2022	Increase/ Decrease
Program Revenues			
Charges for Services	$ 893,636	$ 1,604,337	$ (710,701)
Operating Grants and Contributions	10,454,856	8,079,651	2,375,205
Capital Grants and Contributions	-	2,639,791	(2,639,791)
General Revenues			
Gain (Loss) on Disposals	77,769	40,074	37,695
Interest Earnings	5,084	1,475	3,609
Other	522,130	387,552	134,578
Total Revenues	11,953,475	12,752,880	(799,405)
Program Expenses			
Public Works	7,799,924	8,767,693	(967,769)
Interest Expense	106,424	67,447	38,977
Total Program Expenses	7,906,348	8,835,140	(928,792)
Changes in Net Position	4,047,127	3,917,740	129,387
Net Position - Beginning of Year	37,338,896	33,421,156	3,917,740
Net Position - End of Year	$ 41,386,023	$ 37,338,896	$ 4,047,127

The Road Commission's Fund

The Road Commission's general operations fund is used to control the expenditures of Michigan Transportation Fund monies distributed to the county which are earmarked by law for road and highway purposes.

A summary of changes in the Operating Fund is as follows:

	12/31/2023	12/31/2022	Increase/ Decrease
Revenues			
Licenses and Permits	$ 58,871	$ 73,965	$ (15,094)
Federal	-	189,791	(189,791)
State	8,249,096	9,508,307	(1,259,211)
Local	2,904,057	1,392,766	1,511,291
Charges for Services	838,840	1,546,502	(707,662)
Interest and Rents	5,084	1,475	3,609
Other	77,769	40,074	37,695
Total Revenues	12,133,717	12,752,880	(619,163)
Expenditures			
Public Works	11,680,258	12,429,039	(748,781)
Net Capital Outlay	(204,432)	3,287,341	(3,491,773)
Debt Service	615,781	145,784	469,997
Total Expenditures	12,091,607	15,862,164	(3,770,557)
Excess of Revenues Over (Under) Expenditures	42,110	(3,109,284)	3,151,394
Other Financing Sources			
Debt Proceeds	365,635	4,408,983	(4,043,348)
Total Other Financing Sources	365,635	4,408,983	(4,043,348)
Excess of Revenue and Other Financing Sources Over (Under) Expenditures	407,745	1,299,699	(891,954)
Fund Balance - January 1	3,140,001	1,840,302	1,299,699
Fund Balance - December 31	$ 3,547,746	$ 3,140,001	$ 407,745

BUDGETARY HIGHLIGHTS

Prior to the beginning of any year, the Road Commission's budget is compiled based upon certain assumptions and facts available at that time. During the year, the Road Commission board acts to amend its budget to reflect changes in these original assumptions, facts and/or economic conditions that were unknown at the time the original budget was compiled. In addition, by policy, the board reviews and authorizes large expenditures when requested throughout the year.

The final amended revenue budget for 2023 was $1,431,424 more than the original budget primarily due to increases in expected contributions from local units.

The final amended expenditure budget for 2023 was $1,420,000 higher than the original budget primarily due to increases in Primary Road expenses and capital outlays. The actual expenditures incurred during 2023 were less than the final amended budget by $578,393. There were six unfavorable variances in expenditure line items.

Capital Assets

As of the respective year ends, the Road Commission had invested the following in net capital assets:

	12/31/2023	12/31/2022	Increase/ Decrease
Capital Assets Not Being Depreciated:			
Land and Improvements	$ 22,304,197	$ 21,208,234	$ 1,095,963
Subtotal	22,304,197	21,208,234	1,095,963
Capital Assets Being Depreciated:			
Buildings	6,729,878	6,201,370	528,508
Road Equipment	10,579,375	10,309,180	270,195
Shop Equipment	337,139	337,139	-
Office Equipment	173,075	207,489	(34,414)
Engineers Equipment	114,471	114,471	-
Yard & Storage Equipment	1,049,391	1,049,391	-
Infrastructure - Bridges	2,212,613	2,212,613	-
Infrastructure - Roads	33,182,670	28,941,136	4,241,534
Subtotal	54,378,612	49,372,789	5,005,823
Total Capital Assets	76,682,809	70,581,023	6,101,786
Total Accumulated Depreciation	25,567,113	22,965,707	2,601,406
Total Net Capital Assets	$ 51,115,696	$ 47,615,316	$ 3,500,380
Debt Related to capital assets - bonds		$ 4,033,804	

The Road Commission capitalized infrastructure and related assets during the current year in the amount of $6,749,849. The infrastructure recorded during 2023 will be depreciated in the following years. The infrastructure is financed through Federal, State, and local contributions.

Debt

At the year end, the Road Commission had $3,745,000 in debt relating to bonds issued during 2022 for the construction of a new facility along with a lease-purchase agreement in 2023 for a grader of $288,804. Other long-term debt includes accrued vested employee benefits and OPEB liabilities.

Economic Factors and Next Year's Budget

The Road Commission as a Whole

2023 included 6.7 miles of reconstruction of Eddy School Road using Transportation Economic Development Category D funds, Kearney Township contribution and local match. Work in cooperation with the townships totaled $2,626,000. $500,000 was shared with all townships under the Road Commission cost sharing policy with townships taking advantage of $599,636 of 2023 allocation and previously unused allocation and leaving $158,796 for future years.

2024 Work

The Road Commission will be paying off a loan of $550,011 used to complete the 2023 Eddy School Road project. There are no Road Commission planned projects. The Road Commission will continue the township cost share policy but at a reduced level of $250,000.

Capital Assets

Projected purchases for 2024 include two new large trucks and a truck mounted crash attenuator. Installation of an emergency back up generator at the Mancelona garage will be completed.

Closing

This financial report is intended to provide our citizens, taxpayers and the general public with a general overview of the Road Commission's finances and how they are being spent.

Requests for Information

This financial report is designed to provide general overview of the Road 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:

Antrim County Road Commission
319 East Lincoln Street
P.O. Box 308
Mancelona, MI 49659
Phone: (231)587-8521
Fax: (231)587-8156

ANTRIM COUNTY ROAD COMMISSION
STATEMENT OF NET POSITION
DECEMBER 31, 2023

Assets	
Cash and Equivalents	$ 1,646,864
Investments	500,790
Accounts receivable:	
Sundry	927
Due from other governmental units	1,328,791
Inventories	1,085,186
Prepaid Items	76,041
Capital Assets (Net of Accumulated Depreciation)	51,115,696
Total Assets	55,754,295
Deferred Outflows of Resources	
Pension and OPEB Items	1,106,883
Total Deferred Outflows of Resources	1,106,883
Liabilities	
Current Liabilities	
Accounts payable	603,677
Accrued liabilities	79,665
Advances from governmental units	407,511
Unearned Revenue	180,242
Bonds Payable and Lease Purchase (Due within One Year)	224,526
Non Current Liabilities	
Bonds Payable	3,590,000
Lease Purchase	219,278
Vested Employee Benefits Payable	154,592
Post Employment Benefit Liabilities	2,330,943
Net Pension Liability	6,877,064
Total Liabilities	14,667,498
Deferred Inflows of Resources	
Pension Items	654,537
Bond Premium	153,120
Other state grants	-
Total Deferred Inflows of Resources	807,657
Net Position	
Net Investment in Capital Assets	47,301,170
Restricted for County Roads	(5,915,147)
Total Net Position	$ 41,386,023

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

ANTRIM COUNTY ROAD COMMISSION
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2023

Program Expenses	
Primary Road Maintenance	$ 1,433,561
Local Road Maintenance	2,482,258
State Trunkline Maintenance	843,700
Net Equipment Expense	663,532
Net Administrative Expense	658,351
Infrastructure Depreciation	1,713,802
Compensated Absences	(23,406)
Post Employment Benefits	(194,682)
Pension Expense	222,808
Interest Expense	106,424
Total Program Expenses	7,906,348
Program Revenue	
Charges for Services	
Licenses and Permits	58,871
Charges for Services	834,765
Operating Grants and Contributions	
Michigan Transportation Funds	7,550,799
Interest Earnings	5,084
Contributions from Local Units	2,904,057
Capital Grants and Contributions	
Federal Grants	-
State Grants	-
Total Program Revenues	11,353,576
Net Program Revenues (Expenses)	3,447,228
General Revenues	
Gain (Loss) on Disposal of Assets	77,769
Sale of Federal Aid	518,055
Other	4,075
Total General Revenues	599,899
Change in Net Position	4,047,127
Net Position - Beginning Balance	37,338,896
Net Position - Ending Balance	$ 41,386,023

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

ANTRIM COUNTY ROAD COMMISSION
BALANCE SHEET
DECEMBER 31, 2023

	Governmental Fund Type General Operating
Assets	
Cash and Equivalents	$ 1,646,864
Investments	500,790
Accounts receivable:	
Sundry	927
Due from other governmental units	1,328,791
Inventories	1,085,186
Prepaid items	76,041
Total Assets	$ 4,638,599
Liabilities	
Accounts payable	$ 603,677
Accrued liabilities	79,665
Advances from governmental units	407,511
Total Liabilities	1,090,853
Deferred Inflows of Resources	
Other state grants	-
Total Deferred Inflows of Resources	-
Fund Balances	
Non-Spendable	1,161,227
Unassigned	2,386,519
Total Fund Balances	3,547,746
Total Liabilities, Deferred Inflows of Resources and Fund Balances	$ 4,638,599

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

ANTRIM COUNTY ROAD COMMISSION
RECONCILIATION OF THE BALANCE SHEET FUND BALANCE TO THE STATEMENT OF NET POSITION
FOR THE YEAR ENDED DECEMBER 31, 2023

Total governmental fund balance	$ 3,547,746
Amounts reported for governmental activities in the Statement of Net Position are different because:	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the fund financial statements.	51,115,696
Long-term liabilities are not due and payable in the current period and therefore are not reported in the fund financial statements.	(4,033,804)
Vested Employee Benefits Payable are not due and payable in the current period and are not reported in the funds.	(154,592)
Other Post Employment Benefits are not due and payable in the current period and are not reported in the fund statements.	(6,877,064)
Pensions Benefits are not due and payable in the current period and are not reported in the fund statements.	(2,330,943)
Deferred outflows and inflows related to Pension & OPEB items	299,226
Proceeds from the State pension grant are reported as revenue in the fund financial statements but will not impact the net pension liability until the next measurement date and are therefore reported as unearned revenue in the Statement of Net Position.	(180,242)
Net Position of governmental activities	$ 41,386,023

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

ANTRIM COUNTY ROAD COMMISSION
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
DECEMBER 31, 2023

	Governmental Fund Type General Operating
Revenues	
Licenses and Permits	$ 58,871
Federal Sources	-
State Sources	8,249,096
Contributions from Local Units	2,904,057
Charges for Services	838,840
Interest and Rents	5,084
Other	77,769
Total Revenues	12,133,717
Expenditures	
Public Works	11,680,258
Net Capital Outlay	(204,432)
Debt Service	615,781
Total Expenditures	12,091,607
Excess of Revenues Over (Under) Expenditures	42,110
Other Financing Sources	
Proceeds from Debt	365,635
Total Other Financing Sources	365,635
Excess of Revenues and Other Financing Sources Over (Under) Expenditures	407,745
Fund Balance - Beginning of Year	3,140,001
Fund Balance - End of Year	$ 3,547,746

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

ANTRIM COUNTY ROAD COMMISSION
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2023

Net Change in fund balances - total governmental funds	$ 407,745
Amounts reported for governmental activities in the Statement of Activities are different because:	
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.	
Add - capital outlay	6,749,849
Deduct - depreciation expense and retirements	(3,249,469)
Lease proceeds provide current financial resources to governmental funds, but entering into bond or lease agreements increases long-term liabilities in the statement of net position. Repayment of notes/leases payable is an expenditure in governmental funds, but reduces the longterm liabilities in the statement of net position.	143,722
(Increase)/Decrease in accumulated employee sick and vacation pay and other similar expenses reported in the Statement of Activities do not require the use of current resources, and therefore, are not reported in the fund financial statements until they come due for payment.	23,406
Other postemployment benefit obligation expense is recognized in the Statement of Activities, but not in the government funds.	194,682
Increase in pension liability reported in the Statement of Activities does not require the use of resources, and therefore, is not reported in the fund statements until it comes due for payment.	(42,566)
The change in unearned revenue from the State pension grant will not impact the net pension liability until the next measurement date and is therefore not included as revenue in the Statement of Activities.	(180,242)
Change in Net Position of governmental activities	$ 4,047,127

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

ANTRIM COUNTY ROAD COMMISSION
FIDUCIARY FUND
STATEMENT OF NET POSITION
DECEMBER 31, 2023

	OPEB Trust
Assets	
Investments at Fair Market Value	$ 56,515
Net Position	
Restricted for Other Post Employment Benefits and Pension	$ 56,515

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

ANTRIM COUNTY ROAD COMMISSION
FIDUCIARY FUND
STATEMENT OF CHANGES IN NET POSITION
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2023

	OPEB Trust
Additions	
Contributions:	
Employer	$ 95,450
Investment Earnings:	
Interest and Dividends	865
Total Additions	96,315
Deductions	
Distributions	84,350
Administrative Fees	-
Total Deductions	84,350
Change in net position	11,965
Net Position Restricted for Other Post Employment Benefits and Pension	
Net position, beginning of year	44,550
Net position, end of the year	$ 56,515

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

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the Antrim County Road Commission conform to generally accepted accounting principles as applicable to governmental units. The following is a summary of the significant policies.

DESCRIPTION OF ROAD COMMISSION OPERATIONS - The Antrim County Road Fund, referred to as the Road Commission, is a Component Unit of the County of Antrim, Michigan, and is used to control the expenditure of revenues from the State distribution of gas and weight taxes, federal financial assistance, reimbursements from the Department of State Highways for work performed by the County on State trunkline and contributions from other local units of government for work performed by the Road Commission work force.

The Road Commission, which is established pursuant to the County Road Law (MCL224.1), operates under an elected Board of three (3) County Road Commissioners who establish policies and review operations of the Road Commission. The Road Commission may not issue debt without the County's approval and property taxes for road purposes are subject to County Board of Commissioners' approval.

FINANCIAL REPORTING ENTITY - The Road Commission is required by Public Act 51 of the State of Michigan to have a separate audit performed of its operations. This financial report has been prepared to meet this State requirement.

The criteria established by the Governmental Accounting Standards Board (GASB) Statement No. 14 and as amended by (GASB) Statement No. 61, "The Financial Reporting Entity" for determining the reporting entity includes oversight responsibility, fiscal dependency and whether the financial statements would be misleading if the component unit data were not included. Based on the above criteria, these financial statements present the Antrim County Road Commission, a discretely presented component unit of Antrim County, and include the Road Commission Operating Fund, Fiduciary Funds, General Fixed Asset Account Group, and General Long-Term Debt Account Group.

BASIS OF PRESENTATION - GOVERNMENT-WIDE FINANCIAL STATEMENTS - The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Changes in Net Position) report information on all the Antrim County Road Commission finances. There is only one fund reported in the government-wide financial statements.

The Statement of Net Position presents the Road Commission's assets and liabilities with the difference being reported as either invested in capital assets, net of related debt or restricted net position.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment are 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. Taxes and other items not properly included among program revenues are reported instead as general revenue.

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

BASIS OF PRESENTATION – FUND FINANCIAL STATEMENTS - Separate financial statements are provided for the operating fund (governmental fund) and the trust funds (fiduciary funds). The operating fund is an independent fiscal and accounting entity with a self-balancing set of accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions.

MEASUREMENT FOCUS/BASIS OF ACCOUNTING – GOVERNMENT-WIDE FINANCIAL STATEMENTS - The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenue is recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenue in the year of which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Amounts reported as program revenue include: charges to customers or applicants for goods or services or privileges provided; Michigan transportation funds; and State/Federal contracts and township contributions. Internally dedicated resources are reported as general revenue rather than as program revenue. Likewise, general revenue includes all taxes.

MEASUREMENT FOCUS/BASIS OF ACCOUNTING – FUND FINANCIAL STATEMENTS - Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenue is recognized as soon as it is both measurable and available. Revenue is considered to be available if it is collected within the current period or soon enough thereafter to pay liabilities for the current period. 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. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Michigan transportation funds, grants, permits, township contributions and interest associated with current fiscal period are all considered to be susceptible to accrual and have been recognized as revenue in the current fiscal period. All other revenue items are considered to be available only when cash is received by the government.

BUDGETS AND BUDGETARY ACCOUNTING - The County Road Commission follows the requirements of the Uniform Budgeting and Accounting Act, Michigan Public Act 621 of 1978, in the preparation and execution of its annual general appropriations act. Any violations are disclosed in audits of the County Road Commission financial statements as required by law.

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

CASH, CASH EQUIVALENTS AND INVESTMENTS - Cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with a maturity of three months or less when acquired. Investments are stated at fair value.

INVENTORY - Inventories consisting of equipment parts and supplies of $180,811 and road materials of $904,375, are recognized using the consumption method (inventories are recorded as expenditures when they are used). Inventories are recorded at average cost which approximates market.

CAPITAL ASSETS - Capital assets, which include property, plant, equipment, infrastructure assets (e.g., roads, bridges and similar items), are reported in the operating fund in the government-wide financial statements. Capital assets are defined by Antrim County Road Commission 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 recorded at historical cost or estimated historical cost purchase or construction. Donated capital assets are recorded at estimated fair market value at the date of donation.

GASB 34 requires major networks and major subsystems of infrastructure assets acquired, donated, constructed, or substantially rehabilitated since fiscal years ending after June 30, 1980 be inventoried and capitalized by the fourth anniversary of the mandated date of adoption of the other provisions of GASB 34. The Antrim County Road Commission has capitalized the current year's infrastructure, as required by GASB 34, and has reported the infrastructure in the statement of net position.

EQUIPMENT RENTALS - The Michigan Department of Transportation requires that the cost of operating equipment, including depreciation, be allocated to the various activities. The effect of this allocation is deducted from equipment expenditures for the Statement of Revenues, Expenditures, and Changes in Fund Balance.

DEPRECIATION - Depreciation is computed on the sum-of-the-years-digits method for road equipment and straight-line method for all other capital assets. The depreciation rates are designed to amortize the cost of the assets over their estimated useful lives as follows:

Building	30 to 50 years
Road Equipment	5 to 8 years
Shop Equipment	10 years
Engineering Equipment	4 to 10 years
Office Equipment	4 to 10 years
Infrastructure-Roads	8 to 30 years
Infrastructure-Bridges	12 to 50 years

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

LONG-TERM OBLIGATIONS - In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the operating fund statement of net position.

ESTIMATES - The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

DEFERRED OUTFLOWS OF RESOURCES - In addition to assets, the statement of net 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 Road Commission has Pension and OPEB items that qualify for reporting in this category.

DEFERRED INFLOWS OF RESOURCES - In addition to liabilities, the statement of net position and governmental funds balance sheet 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 Road Commission has bond, pension and OPEB items that qualify for reporting in this category.

FUND BALANCE - Fund balance is essentially the difference between the assets and liabilities reported in a governmental fund. There are five separate components of fund balance, each of which identifies the extent to which the Road Commission is bound to honor constraints on the specific purpose for which amounts can be spent.

1. Non-spendable fund balance (inherently non-spendable)
2. Restricted fund balance (externally enforceable limitations on use)
3. Committed fund balance (self-imposed limitations on use)
4. Assigned fund balance (limitation resulting from intended use)
5. Unassigned fund balance (the residual classification of the general fund)

As a general rule, when multiple categories of fund balance are available for expenditure, the Road Commission will start with the most restricted category and spend those funds first before moving down to the next category with available funds.

NOTE B - CASH AND INVESTMENTS

The balance sheet accounts and types of cash items are presented below:

Balance Sheet Accounts		Cash Items	
General Operating:			
Cash and Equivalents	$ 1,646,864	Imprest Cash	$ 200
Investments	500,790	Checking & Savings	1,646,664
Fiduciary:		Investments	500,790
Cash and Equivalents	56,515	Now Accounts	56,515
	$ 2,204,169		$ 2,204,169

As of December 31, 2023, the Road Commission had the following investments:

Investment Type	Reported Amount (Fair Value)
Money Market Funds:	
*Goldman Sachs Treasury MM	$ 500,790

*Ratings were not available.

Investments - Public Act 152, as amended, authorized the Commission to deposit and invest in the following:

a. Bonds and other direct obligations of the United States or its agencies.
b. Certificates of deposit, savings accounts, deposit accounts, or depository receipts of federally insured banks, insured savings and loan associations or credit unions insured by the National Credit Union Administration that are eligible to be depository of surplus money belonging to the State under Section 5 or 6 of Act 105, PA 1855, as amended (MCL 21.145 and 21.146).
c. Commercial paper rated at time of purchase within the three highest classifications established by not less than two standards rating services. Maturity cannot be more than 270 days after purchase and not more than 50 percent of any fund may be invested in commercial paper at any time.
d. United States government or Federal agency obligation repurchase agreements.
e. Banker's acceptance of United States banks.
f. Obligations of this state or any of its political subdivisions that at the time of purchase are rated as investment grade by not less than one standard rating service.
g. Mutual funds registered under the investment company act of 1940, 15 USC 80a-1 to 80a-64, with authority to purchase only investment vehicles that are legal for direct investment by a public corporation. However, a mutual fund is not disqualified as a permissible investment solely by reason of any of the following:
   (I) The purchase of securities on a when-issued or delayed delivery basis.
   (ii) The ability to lend portfolio securities as long as the mutual fund receives collateral at all times equal to at least 100% of the value of the securities loaned.
   (iii) The limited ability to borrow and pledge a like portion of the portfolio's assets for temporary or emergency purposes.
h. Obligations described in subdivisions a through g if purchased through an interlocal agreement under the urban cooperation act of 1967, 1967 (Ex Sess)PA 7, MCL 124.501 to 124.512.
I. Investment pools organized under the surplus funds investment pool act, 1982 PA 367, MCL 129.111 to 129.118.
j. The investment pools organized under the local government investment pool act, 1985 PA 121, MCL 129.141 to 129.150.

NOTE B – CASH AND INVESTMENTS (CONTINUED)

The Road Commission has adopted the County's investment policy, which is in accordance with the provisions of Public Act 196 of 1997.

Interest rate risk. The Road Commission does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit risk. State law limits investments in commercial paper, corporate bonds, and mutual bond funds to the top two ratings issued by nationally recognized organizations. The Road Commission has no investment policy that would further limit its investment choices.

Custodial Deposit Credit Risk. Custodial deposit credit risk is the risk that in the event of a bank failure, the Road Commission's deposits may not be returned. State law does not require and the Road Commission does not have a policy for deposit custodial credit risk. As of year end, $1,518,596 of the Road Commission's bank balance of $1,825,111 was exposed to credit risk because it was uninsured or uncollateralized.

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

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

NOTE C – CAPITAL ASSETS

The following is a summary of changes in the Capital Assets Account Group.

	Balance 1/1/2023	Additions	Deletions	Balance 12/31/2023
Capital Assets Not Being Depreciated:				
Land	$ 261,759	$ -	$ -	$ 261,759
Infrastructure and Land Improvements	20,946,475	1,095,963	-	22,042,438
Subtotal	21,208,234	1,095,963	-	22,304,197
Capital Assets Being Depreciated:				
Buildings	6,201,370	528,508	-	6,729,878
Road Equipment	10,309,180	801,243	531,048	10,579,375
Shop Equipment	337,139	-	-	337,139
Office Equipment	207,489	1,484	35,898	173,075
Engineers Equipment	114,471	-	-	114,471
Yard & Storage Equipment	1,049,391	-	-	1,049,391
Infrastructure - Bridges	2,212,613	-	-	2,212,613
Infrastructure - Roads	28,941,136	4,322,651	81,117	33,182,670
Total	49,372,789	5,653,886	648,063	54,378,612
Less Accumulated Depreciation:				
Buildings	1,604,842	167,887	-	1,772,729
Road Equipment	7,979,486	882,362	105,587	8,756,261
Shop Equipment	224,828	21,706	-	246,534
Office Equipment	148,980	22,906	35,898	135,988
Engineers Equipment	73,159	5,686	-	78,845
Yard & Storage Equipment	991,854	9,659	-	1,001,513
Infrastructure - Bridges	859,511	61,032	-	920,543
Infrastructure - Roads	11,083,047	1,652,770	81,117	12,654,700
Total	22,965,707	2,824,008	222,602	25,567,113
Net Capital Assets Being Depreciated	26,407,082	2,829,878	425,461	28,811,499
Total Net Capital Assets	$ 47,615,316	$ 3,925,841	$ 425,461	$ 51,115,696

NOTE D - PENSION PLAN

Description of Plan and Plan Assets

The Road Commission is in an agent multiple-employer defined benefit pension plan with the Municipal Employees' Retirement System (MERS). The system provides the following provisions: normal retirement, deferred retirement and service retirement to plan members and their beneficiaries. The service requirement is computed using credited service at the time of termination of membership multiplied by the sum of 2.50% times the final compensation (FAC). The most recent period of which actuarial data was available was for year ended December 31, 2022.

General Information about the Pension Plan

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.

01 - Gen Union: Closed to New Hires

	2022 Valuation
Benefit Multiplier:	2.5% Multiplier (80% max)
Normal Retirement Age:	60
Vesting:	10 years
Early Retirement (Unreduced):	55/30
Early Retirement (Reduced):	50/25
	55/15
Final Average Compensation:	5 years
Employee Contributions:	3%
RS50% Percentage:	50%
Act 88:	No

10 - Gen Non-Union: Closed to New Hires

	2022 Valuation
Benefit Multiplier:	2.5% Multiplier (80% max)
Normal Retirement Age:	60
Vesting:	10 years
Early Retirement (Unreduced):	55/30
Early Retirement (Reduced):	50/25
	55/15
Final Average Compensation:	3 years
Employee Contributions:	3%
RS50% Percentage:	50%
Act 88:	No

NOTE D - PENSION PLAN (CONTINUED)

Employees Covered by Benefit Terms

At December 31, 2023, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	46
Inactive employees or beneficiaries entitled but not yet receiving benefits	5
Active employees	26
Total Employees covered by MERS Plan	77

Funding Policy

The obligation to contribute to and maintain the system for these employees was established by negotiation with the Road Commission's competitive bargaining unit and personnel policy, which require employees to contribute to the plan. The Road Commission is required to contribute at an actuarially determined rate of $37,725 and $22,863 of monthly payroll for union and nonunion employees, respectively.

Net Pension Liability

The Road Commission's net pension liability was measured as of December 31, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2022.

Actuarial Assumptions. The total pension liability in the December 31, 2022, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50%
Salary increases	3.00%
Investment rate of return	7.00% net of interest and administrative expense including inflation

Mortality rates used were based on the RP-2010 General Employees and Healthy Retirees, head count weighted, MP-2019 scale.

The actuarial assumptions used in valuation were based on the results of the most recent actuarial experience study of 2022.

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:

NOTE D - PENSION PLAN (CONTINUED)

Asset Class	Target Allocation	Long-Term Expected Nominal Rate of Return	Inflation Assumption	Long-Term Expected Real Rate of Return	Expected Nominal Return Asset Class	Expected Real Return Asset Class
Global Equity	60.0%	7.00%	2.50%	4.50%	4.20%	2.70%
Global Fixed Income	20.0%	4.50%	2.50%	2.00%	0.90%	0.40%
Private Investments	20.0%	9.50%	2.50%	7.00%	1.90%	1.40%
Total	100.0%	7.00%	2.50%	4.50%	7.00%	4.50%

Discount Rate. The discount rate used to measure the total pension liability is 7.25%. 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.

Changes in the Net Pension Liability:

	Increase (Decrease)		
Changes in Net Pension Liability	**Total Pension Liability (a)**	**Plan Fiduciary Net Position (b)**	**Net Pension Liability (a)-(b)**
Balance at 12/31/2022	$ 16,793,865	$ 9,262,937	$ 7,530,928
Changes for the Year:			
Service Cost	146,931	-	146,931
Interest	1,184,640	-	1,184,640
Changes in benefits	-	-	-
Differences between expected and actual experience	29,247	-	29,247
Change in assumptions	-	-	-
Contributions: employer	-	1,043,132	(1,043,132)
Contributions: employees	-	39,747	(39,747)
Net investment income	-	1,039,309	(1,039,309)
Benefit payments, including refunds	(1,054,949)	(1,054,949)	-
Administrative expense	-	(21,944)	21,944
Other changes	85,562	-	85,562
Net Changes	391,431	1,045,295	(653,864)
Balance at 12/31/2023	$ 17,185,296	$ 10,308,232	$ 6,877,064

NOTE D - PENSION PLAN (CONTINUED)

Sensitivity of the net pension liability to changes in the discount rate. The following presents the net pension liability of the Road Commission, calculated using the discount rate of 7.25% as well as what the Road Commission's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.25%) or 1-percentage-point higher (8.25%) than the current rate:

	1% Decrease	Current Discount Rate	1% Increase
Total Pension Liability	$ 18,967,459	$ 17,185,296	$ 15,668,643
Fiduciary Net Position	10,308,232	10,308,232	10,308,232
Net Pension Liability	$ 8,659,227	$ 6,877,064	$ 5,360,411

Pension plan fiduciary net position. Detailed information about the pension plan's fiduciary net position is available in the separately issued MERS financial report.

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

For the year ended December 31, 2023, the Road Commission recognized pension expense of $1,085,698. At December 31, 2023, the Road Commission reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 14,625	$ -
Changes in assumptions	-	-
Net difference between projected and actual earnings on pension plan investments	1,091,086	654,537
Total	$ 1,105,711	$ 654,537

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

Years Ending December 31,	Amount
2024	$ 83,080
2025	160,675
2026	285,557
2027	(78,138)

NOTE E - LONG TERM DEBT

The following is a summary of pertinent information concerning the County Road Commission's long-term debt.

Changes in Long-Term Debt

Description	Balance 1/1/2023	Additions		Reductions	Balance 12/31/2023	Due Within One Year
2022 Capital Improvement Bonds	$3,875,000	$ -		$ 130,000	$3,745,000	$ 155,000
Lease Purchase - Grader	294,467	-		294,467	-	-
Lease Purchase - Grader	-	365,635		76,831	288,804	69,526
Vested Employee Benefit Payable	177,998	-	(1)	23,406	154,592	-
Totals	$4,347,465	$ 365,635		$ 524,704	$4,188,396	$ 224,526

(1) The change in vested employee benefits is shown as a net reduction.

2022 Capital Improvement Bonds

On January 6, 2022, the County of Antrim, Michigan executed Capital Improvement Bonds in the amount of $3,875,000 for the benefit of the Road Commission for the purpose of a new maintenance facility located at Central Lake, Michigan. The net proceeds included a reoffering premium of $161,179 which will be amortized over 20 years. The annual premium amortization of $8,059 is recognized as interest in the Statement of Activities. The bonds are payable through October 1, 2042, with a variable interest rate of 2.0% to 3.0%. The amount of interest expense included as a direct functional expense in the Statement of Activities for the year was $89,331.

Annual Debt Service Requirements:

Year	Amount
2024	$ 240,056
2025	240,331
2026	240,456
2027	240,431
2028	240,256
2029	239,931
2030	239,456
2031	239,781
2032	240,931
2033-2042	2,399,237
Total Payments	4,560,866
Less - Interest and fees	(815,866)
Net Balance Due	$3,745,000

NOTE E - LONG TERM DEBT (CONTINUED)

Lease Purchase – 2022 Grader

On December 28, 2022, the Road Commission entered into a lease purchase agreement with Deere Credit, Inc for the purchase of a 2022 John Deere 672G Motor Grader in the amount of $372,804. The lease terms include interest of 2.5% and annual payments of $72,337 through December 28, 2026. The Road Commission exercised its option to buyout the lease agreement during 2023 with a final payment of $301,631, including interest of $7,164.

Lease Purchase – 2022 Grader

On January 5, 2023, the Road Commission entered into a lease purchase agreement with Deere Credit, Inc for the purchase of a 2022 John Deere 672G Motor Grader in the amount of $365,635. The lease terms include interest of 2.5% and annual payments of $76,831 through January 6, 2027. There was no interest related to the payment made in 2023.

Annual Debt Service Requirements:

Year	Amount
2024	$ 76,831
2025	76,831
2026	76,831
2027	76,830
Total Payments	307,323
Less - Interest and fees	(18,519)
Net Balance Due	$ 288,804

Vested Employee Benefits

Vested employee benefits are for accumulated personal, sick and vacation days.

Road Commission employment policies provide for vacation and personal benefits to be earned in varying amounts depending on the employee's years of service. New employees are eligible for vacation benefits after 1 year of service, and vacation benefits accrue each July 1st and are paid a prorated share for unused vacation days. Employees may accumulate up to a maximum of 200 hours of vacation benefits. Personal days are paid to a maximum of 112 hours.

Road Commission employment policies provide for sick leave benefits for employees hired before fiscal year 2000. Employees hired prior to January 1, 2000, upon voluntary termination with ten working days' notice, retirement, or death of an employee in the service of the Road Commission, shall be paid for 50% of any accumulated unused sick leave accumulated to December 31, 1999.

NOTE F - EXCESS EXPENDITURES OVER APPROPRIATIONS

Public Act 621 of 1978, section 18 (1), as amended, provides that a County Road Commission shall not incur expenditures in excess of amounts appropriated. As presented in the financial statements for the year ended December 31, 2023, the County Road Commission incurred expenditures in certain areas which were in excess of the amounts appropriated as follows:

	Total Appropriations	Amount of Expenditures	Budget Variance
Primary Road:			
Preservation	$ 4,400,000	$ 4,426,560	$ (26,560)
Local Road:			
Maintenance	$ 2,400,000	$ 2,482,258	$ (82,258)
Other - State Pension Grant	$ -	$ 180,242	$ (180,242)
Equipment Expense - Net	$ -	$ 663,532	$ (663,532)
Long-Term Debt Payments	$ 470,000	$ 501,298	$ (31,298)
Interest Expense	$ -	$ 114,483	$ (114,483)

The Road Commission does not use encumbrances for budgetary purposes. During the year ended December 31, 2023, the Road Commissioners made one amendment to the General Operating Fund Budget.

NOTE G - RISK MANAGEMENT

Antrim County Road Commission is a member of the Michigan County Road Commission Self-Insurance Pool established pursuant to the laws of the State of Michigan which authorize contracts between municipal corporations (inter-local agreements) to form group self-insurance pools, and to prescribe conditions to the performance of these contracts.

The Pool was established for the purpose of making a self-insurance pooling program available which includes, but is not limited to, general liability coverages, auto liability coverages, property insurance coverages, stop loss insurance protection, claims administration, and risk management and loss control services pursuant to Michigan Public Act 138 of 1982.

The Antrim Road Commission pays an annual premium to the Pool for property (buildings and contents) coverage, automobile and equipment liability, errors or omissions liability and bodily injury, property damage and personal injury liability. The agreement for the information of the Pool provides that the Pool will be self-sustaining through member premiums and will purchase both specific and aggregate stop-loss insurance to the limits determined necessary by the Pool Board.

The Road Commission is also self-insured for worker's compensation as a member of the County Road Association Self Insurance Fund.

During 2023 and the previous two years, there were no settlements which exceeded the respective insurance coverage. In addition, there has been no reduction in insurance coverage from the prior year.

NOTE H - FEDERAL FINANCIAL ASSISTANCE

It is required by the Michigan Department of Transportation that Road Commissioners report total federal financial assistance for Highway Research, Planning and construction pertaining to their County. However, only the federal financial assistance applicable to negotiated account expenditures is required to be audited for compliance under the Single Audit Act through Road Commission procurement. The reason for this requirement is that the Road Commission is required to have accounting and administrative control over the force account portion while the balance is administered by the Michigan Department of Transportation.

During the year, the Road Commission sold its federal aid allocation, resulting in recorded expenditures of federal awards in the amount of $0. The amount of federal aid expended by the Road Commission was $0 for contracted projects and $0 for negotiated projects.

NOTE I - POST EMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)

Plan Description - Antrim County Road Commission Retiree Health Care Plan is a single employer plan established and administered by the Board and can be amended at its discretion. The retiree health plan does not issue a publicly available report.

Any employee retiring after July 1, 1989, who had completed at least ten years of service and was eligible for retirement, has $150 per month contributed towards the employee and spouse coverage. Effective for retirees retiring after July 1, 1999, the Road Commission contribution will be $200 per month and effective July 1, 2003, $250 per month. At age 65, those receiving $250 per month change to $200 per month for the remainder of their life. There are 40 retirees receiving benefits with an approximate annual cost of $81,800. This benefit is not available for anyone hired after July 1, 2014.

Funding Policy - Contribution requirements are negotiated between the Commission and employees. The Commission contributes 100% of the cost for eligible plan members. For fiscal year 2023, the Commission contributed $95,450 to the plan.

Employees Covered by Benefit Terms

As of December 31, 2023, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	39
Inactive employees or beneficiaries entitled but not yet receiving benefits	0
Active employees	18
Total participants covered by OPEB Plan	57

Actuarial assumptions and other inputs - The total OPEB liability was determined by an actuarial valuation as of December 31, 2023. The following Actuarial Assumptions were used in measurement:

Inflation	1.92%
Salary Increases	6.00% for all active participants except for two that have a salary scale of 4.00%
Investment rate of return	2.50%
20-year Aa municipal bond rate	4.00%
Mortality	2010 Public General Employees and Healthy Retirees, headcount weighted
Improvement Scale	IRS 2024 Adjusted Scale MP-2021

The long-term expected rate of return on plan investments was determined using a building-block method in which best-estimate ranges of expected future 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 rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic rates of return for each major asset class included in the retirement plan’s target asset allocation as of December 31, 2023, are summarized in the following table:

NOTE I - POST EMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (CONTINUED)

Asset Class	Target Allocation	Long-term Expected Real Rate of Return
Cash	100.00%	0.58%

The sum of each target allocation times its long-term expected real rate is 2.50%.

Discount Rate

The discount rate used to measure the total OPEB liability was 2.50%. The projection of cash flows used to determine the discount rate assumed that the Road Commission will make annual contributions of $11,100 this year and in subsequent years until the plan attains 40% funded status. In addition, it is assumed that the plan sponsor will continue to pay retiree benefits from general operating funds to maintain the plan's funded status until funds are sufficient to pay plan benefits. Based on this assumption, the retirement plan's fiduciary net position was projected to be sufficient to make all projected future benefit payments of current plan members, therefore, there is no cross-over point or depletion date. Projected benefits were discounted at a discount rate equal to the Long-Term rate of return, plus inflation, as shown above. This discount rate is used to determine the Total OPEB Liability. As of December 31, 2022, the discount rate used to value OPEB liabilities was 2.50%.

	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability
Balance at 12/31/2022	$ 2,482,520	$ 44,550	$ 2,437,970
Changes for the Year:			
Service Cost	24,751	-	24,751
Interest	61,628	-	61,628
Experience (Gains)/Losses	(67,423)	-	(67,423)
Change in assumptions	(29,668)	-	(29,668)
Contributions to OPEB trust	-	11,100	(11,100)
Contributions/benefit paid from general operating funds	-	84,350	(84,350)
Net investment income	-	865	(865)
Benefit payments including refunds of employee contributions	(84,350)	(84,350)	-
Net Changes	(95,062)	11,965	(107,027)
Balance at 12/31/2023	$ 2,387,458	$ 56,515	$ 2,330,943

NOTE I - POST EMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (CONTINUED)

Net OPEB Liability - Discount and Trend Rate Sensitivities - The following presents the net OPEB liability of the Road Commission, calculated using discount rates 1% higher and lower than base assumptions. There are no benefits to which Trend rate are applied.

	Discount		
	1% Decrease	Current Rate	1% Increase
Total Pension Liability	$ 2,690,549	$ 2,387,458	$ 2,138,977
Fiduciary Net Position	56,515	56,515	56,515
Net Pension Liability	$ 2,634,034	$ 2,330,943	$ 2,082,462

OPEB Expense

Components of Road Commission's OPEB Expense for the fiscal year ending December 31, 2023, are as follows:

Service Cost	$ 24,751
Interest on Total OPEB Liability	61,628
Experience (Gains) / Losses	(67,423)
Changes in Assumptions	(29,668)
Projected Earnings on OPEB Plan Investments	(1,253)
Investment Earnings (Gains) / Losses	451
Administrative Expense	-
Total OPEB Expense	$ (11,514)

Deferred Outflows and Inflows of Resources Related to OPEB Plan

	Deferred Outflows of Resources	Deferred Inflows of Resources
Experience (Gains) / Losses	$ -	$ -
Changes in Assumptions	-	-
Investment Earnings (Gains) / Losses	1,172	-
Total	$ 1,172	$ -

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	Year Ended December 31,	Amount
2024	$ 452	2027	76
2025	388	2028	-
2026	256	Thereafter	-

NOTE J - FUND BALANCE CLASSIFICATIONS

The governmental fund financial statements present fund balances based on classifications that comprise a hierarchy that is based primarily on the extent to which Antrim County Road Commission is bound to honor constraints on the specific purposes for which amounts in the respective governmental funds can be spent. The classifications used in the governmental fund financial statements are as follows:

Non-spendable - assets that are not available in a spendable form such as inventory, prepaid expenditures, and long-term receivables not expected to be converted to cash in the near term. It also includes funds that are legally or contractually required to be maintained intact such as the corpus of a permanent fund or foundation.

Restricted - amounts that are required by external parties to be used for a specific purpose. Constraints are externally imposed by creditors, grantors, contributors or laws, regulations or enabling legislation.

Committed - amounts constrained on use imposed by formal action of the government's highest level of decision-making authority (i.e., Board, Council, etc.).

Assigned - amounts intended to be used for specific purposes. The governing body, the budget or finance committee or a delegated municipality official, determines this.

Unassigned - all other resources; the remaining fund balance after non-spendable, restrictions, commitments, and assignments. This class only occurs in the General Fund, except for cases of negative fund balances. Negative Fund Balances are always reported as unassigned, no matter which fund the deficit occurs in.

Fund Balance Classification Policies and Procedures

For committed fund balance, Antrim County Road Commission's highest level of decision-making authority is the County Road Board. The formal action that is required to be taken to establish, modify, or rescind a fund balance commitment is by vote and approval by the County Road Board.

For assigned fund balance, the Road Commission Manager is authorized to assign amounts to a specific purpose. Such assignments cannot exceed the available fund balance in any particular fund.

For the classification of fund balances, the Antrim County Road Commission considers restricted amounts to have been spent when expenditures are incurred for the purposes for which both restricted and unrestricted fund balance is available. Also, for the classification of fund balances, the Road Commission considers committed, assigned, or unassigned amounts to have been spent when an expenditure is incurred for purposes for which amounts in any of those unrestricted fund balance classifications could be used.

NOTE K - ADVANCES

State equipment purchase advance is determined by a formula applied to the book value of equipment of the previous fiscal year. This amount is adjusted each fiscal year in accordance with the formula and would be refunded to the State Department of Transportation upon termination of the State Highway Maintenance Contract. At December 31, 2023, the amount was $331,946.

During 2023, the State had advanced $75,565 on the routine maintenance agreement, which would be refunded to the State Department of Transportation upon termination of the contract.

NOTE L – ACCOUNTS PAYABLE

For the year ending December 31, 2023, the Road Commission owed vendors $603,677. Included in the amount is a liability related to an installment purchase agreement for $550,011 for 7,143 tons of hot mix asphalt. The purchase agreement terms included interest of 4.75% and annual payments of $201,048 through August 2026. Subsequent to December 31, 2023, the Road Commission opted to pay off the agreement in full. The payoff amount was $550,011 which included interest of $17,988. The $550,011 is reported as accounts payable for 2023 due to the payment being made within one year of the financial statement date.

NOTE M – UNEARNED REVENUE

During 2023, the Road Commission received funds from the State pension grant in the amount of $180,242. Proceeds from the State pension grant are reported as revenue in the fund financial statements but will not impact the net pension liability until the next measurement date and are therefore reported as unearned revenue in the Statement of Net Position.

REQUIRED SUPPLEMENTAL INFORMATION

ANTRIM COUNTY ROAD COMMISSION
STATEMENT OF REVENUES - BUDGETARY COMPARISON SCHEDULE
TWELVE MONTHS ENDED DECEMBER 31, 2023

	Original Budget	Final Amended Budget	Actual	Variance Favorable (Unfavorable)
Licenses and Permits	$ 60,000	$ 60,000	$ 58,871	$ (1,129)
State Sources				
Michigan Transportation Fund				
Engineering	10,000	10,000	10,000	-
Allocation	6,222,000	6,100,000	6,459,722	359,722
Snow Removal	540,000	602,453	602,454	1
Other				
Pension Grant	-	-	180,242	180,242
Sale of Federal Aid	525,600	518,055	518,055	-
Economic Development Fund				
Rural Primary (D)	357,864	376,417	376,417	-
Forest Road	51,000	51,103	102,206	51,103
Contributions from Local Units				
Townships	1,600,000	2,900,000	2,900,980	980
Other	-	-	3,077	3,077
Charges for Services				
State Trunkline Maintenance/ Non-Maintenance	900,000	710,300	834,765	124,465
Salvage Sales	-	-	4,075	4,075
Interest and Rents	-	-	5,084	5,084
Other Revenue				
Gain (Loss) on Disposal of Equipment	-	-	77,769	77,769
Other Financing Sources				
Lease Purchase Proceeds	-	369,560	365,635	(3,925)
Total Revenue	$ 10,266,464	$ 11,697,888	$ 12,499,352	$ 801,464

ANTRIM COUNTY ROAD COMMISSION
STATEMENT OF EXPENDITURES - BUDGETARY COMPARISON SCHEDULE
TWELVE MONTHS DECEMBER 31, 2023

	Original Budget	Final Amended Budget	Actual	Variance Favorable (Unfavorable)
Primary Road				
Preservation - Structural Improvements	$ 3,200,000	$ 4,400,000	$ 4,426,560	$ (26,560)
Maintenance	1,800,000	1,600,000	1,433,561	166,439
Local Road				
Preservation - Structural Improvements	1,200,000	1,000,000	992,054	7,946
Maintenance	2,800,000	2,400,000	2,482,258	(82,258)
State Trunkline Maintenance/ Non-Maintenance	900,000	1,000,000	843,700	156,300
Other - State Pension Grant	-	-	180,242	(180,242)
Administrative Expense - Net	600,000	900,000	658,351	241,649
Equipment Expense - Net	250,000	-	663,532	(663,532)
Capital Outlay - Net	500,000	900,000	(204,432)	1,104,432
Long-Term Debt Payments	-	470,000	501,298	(31,298)
Interest Expense	-	-	114,483	(114,483)
Total Expenditures	$ 11,250,000	$ 12,670,000	$ 12,091,607	$ 578,393

ANTRIM COUNTY ROAD COMMISSION
SCHEDULE OF CHANGES IN PENSION LIABILITY
YEAR ENDED DECEMBER 31, 2023

	2023	2022	2021	2020	2019	2018	2017	2016	2015
Service cost	$ 146,931	$ 127,788	$ 157,125	$ 175,261	$ 177,272	$ 165,806	$ 165,238	$ 152,349	$ 150,184
Interest on total pension liability	1,184,640	1,103,289	1,145,764	1,096,659	1,106,582	1,084,955	1,036,197	1,011,984	987,193
Changes in benefit terms	-	-	(191,953)	-	-	(458)	-	589,653	-
Difference between expected and actual experience	29,247	210,705	(405,885)	(206,224)	110,215	(124,605)	248,105	(229,531)	-
Changes in assumptions	-	609,088	364,941	433,983	-	-	-	-	-
Other Changes	85,562	99,911	73,295	91,076	89,391	(31,842)	(31,884)	(24,375)	(12,464)
Benefit payments including employee refunds	(1,054,949)	(1,021,602)	(951,774)	(919,351)	(850,668)	(807,833)	(809,097)	(831,957)	(819,043)
Net change in total pension liability	391,431	1,129,179	191,513	671,404	632,792	286,023	608,559	668,123	305,870
Total pension liability - beginning	16,793,865	15,664,686	15,473,173	14,801,769	14,168,977	13,882,954	13,274,395	12,606,272	12,300,402
Total pension liability - ending	$ 17,185,296	$ 16,793,865	$ 15,664,686	$ 15,473,173	$ 14,801,769	$ 14,168,977	$ 13,882,954	$ 13,274,395	$ 12,606,272
Plan fiduciary net position									
Contributions - employer	$ 1,043,132	$ 841,449	$ 1,037,608	$ 872,309	$ 875,645	$ 876,622	$ 795,116	$ 688,212	$ 662,974
Contributions - employee	39,747	38,762	39,775	45,098	46,362	47,020	15,608	-	(2,306)
Net investment income	1,039,309	(1,088,264)	1,297,602	1,053,454	967,670	(292,707)	848,217	663,785	(89,576)
Benefit payments, including employee refunds	(1,054,949)	(1,021,602)	(951,774)	(919,351)	(850,668)	(807,833)	(809,097)	(831,957)	(819,043)
Administrative expenses	(21,944)	(19,396)	(14,885)	(16,402)	(16,664)	(14,207)	(13,409)	(13,118)	(13,323)
Net change in plan fiduciary net position	1,045,295	(1,249,051)	1,408,326	1,035,108	1,022,345	(191,105)	836,435	506,922	(261,274)
Total plan fiduciary net position - beginning	9,262,937	10,511,988	9,103,662	8,068,554	7,046,209	7,237,314	6,400,879	5,893,957	6,155,231
Total plan fiduciary net position - ending	$ 10,308,232	$ 9,262,937	$ 10,511,988	$ 9,103,662	$ 8,068,554	$ 7,046,209	$ 7,237,314	$ 6,400,879	$ 5,893,957
Road Commission's net pension liability	$ 6,877,064	$ 7,530,928	$ 5,152,698	$ 6,369,511	$ 6,733,215	$ 7,122,768	$ 6,645,640	$ 6,873,516	$ 6,712,315
Plan fiduciary net position as a percentage of the total pension liability	59.98%	55.16%	67.11%	58.84%	54.51%	49.73%	52.13%	48.22%	46.75%
Covered employee payroll	$ 1,387,999	$ 1,326,913	$ 1,459,608	$ 1,561,249	$ 1,562,778	$ 1,525,367	$ 1,489,486	$ 1,403,749	$ 1,429,116
Employer's Net Pension Liability as a percentage of covered payroll	495.47%	567.55%	353.02%	407.98%	430.85%	466.95%	446.17%	489.65%	469.68%

Notes to schedule:

the schedule is based on a calendar year measurement date.

ANTRIM COUNTY ROAD COMMISSION
SCHEDULE OF PENSION CONTRIBUTION
YEAR ENDED DECEMBER 31, 2023

	Calendar Year								
	2023	2022	2021	2020	2019	2018	2017	2016	2015
Actuarially determined contribution	$ 727,056	$ 712,620	$ 713,184	$ 660,276	$ 602,376	$ 623,664	$ 617,664	$ 518,232	$ 479,544
Contributions in relation to the actuarially determined contribution	1,043,132	841,449	1,037,608	872,309	875,645	876,622	795,116	688,212	662,974
Contribution excess (deficiency)	$ 316,076	$ 128,829	$ 324,424	$ 212,033	$ 273,269	$ 252,958	$ 177,452	$ 169,980	$ 183,430
Covered-employee payroll	$ 1,387,999	$ 1,326,913	$ 1,561,249	$ 1,562,778	$ 1,525,367	$ 1,489,486	$ 1,403,749	$ 1,429,116	$ 1,316,387
Actuarially determined contributions as a percentage of covered-employee payroll	52.38%	53.71%	45.68%	42.25%	39.49%	41.87%	44.00%	36.26%	36.43%

Notes to Schedule

Valuation date:	Actuarially determined contribution rates are calculated as of December 31 each year, which is 2 years prior to the beginning of the fiscal year in which the contributions are required.

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry-age normal
Amortization method	Level percentage of payroll, open
Remaining amortization period	17 years
Asset valuation method	10-year smoothed marked
Inflation	2.50%
Salary increases	3.00%
Investment rate of return	7.00%, net of pension plan investment expense including inflation

ANTRIM COUNTY ROAD COMMISSION
SCHEDULE OF CHANGES IN ROAD COMMISSION'S TOTAL OPEB LIABILITY AND RELATED RATIOS
FOR THE YEAR ENDING DECEMBER 31, 2023

	2023	2022	2021	2020	2019	2018
Total OPEB Liability						
Service cost	$ 24,751	$ 26,775	$ 33,080	$ 32,943	$ 26,135	$ 25,591
Interest	61,628	62,526	63,954	66,357	73,855	77,178
Changes in benefit terms	-	-	-	-	-	-
Difference between Expected and Actual Experience	(67,423)	(40,177)	(77,961)	(25,994)	(65,508)	(60,423)
Changes in assumptions	(29,668)	-	9,587	(89,867)	231,905	40,650
Benefit payments	(84,350)	(81,800)	(77,050)	(82,279)	(79,344)	(64,204)
Net change in total OPEB Liability	(95,062)	(32,676)	(48,390)	(98,840)	187,043	18,792
Total OPEB Liability - Beginning	2,482,520	2,515,196	2,563,586	2,662,426	2,475,383	2,456,591
Total OPEB Liability - Ending	2,387,458	2,482,520	2,515,196	2,563,586	2,662,426	2,475,383
Plan Fiduciary Net Position						
Contributions - employer	95,450	92,900	88,150	93,379	90,444	64,204
Net investment income	865	83	39	26	2	-
Benefits payments, including refunds of member contributions	(84,350)	(81,800)	(77,050)	(82,279)	(79,344)	(64,204)
Administrative expense	-	-	-	-	-	-
Net Change in Plan Fiduciary Net Position	11,965	11,183	11,139	11,126	11,102	-
Plan Fiduciary Net Position - Beginning of Year	44,550	33,367	22,228	11,102	-	-
Plan Fiduciary Net Position - End of Year	56,515	44,550	33,367	22,228	11,102	-
Net OPEB Liability - End of Year	$2,330,943	$2,437,970	$2,481,829	$2,541,358	$2,651,324	$2,475,383
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	2.37%	1.79%	1.33%	0.87%	0.42%	0.00%
Covered Employee Payroll	$1,090,922	$1,277,880	$1,322,904	$1,091,754	$1,339,470	$1,280,133
Total OPEB Liability as a percentage of covered-employee payroll	213.67%	190.78%	187.60%	232.78%	197.94%	193.37%
Contributions:						
Actuarially Determined Contribution	$2,524,289	$1,315,084	$1,352,432	$ 962,094	$ 692,864	$ 687,248
Employer Contribution	(95,450)	(92,900)	(88,150)	(93,379)	(90,444)	(64,204)
Contribution Deficiency/(Excess)	$2,428,839	$1,222,184	$1,264,282	$ 868,715	$ 602,420	$ 623,044
Actuarially Determined Contribution as a Percentage of Covered Payroll	231.39%	102.91%	102.23%	88.12%	51.73%	53.69%
Employer Contribution as Percentage of Covered Payroll	8.75%	7.27%	6.66%	8.55%	6.75%	5.02%

ANTRIM COUNTY ROAD COMMISSION
STATE OF MICHIGAN PUBLIC ACTS 530 AND 202 INFORMATION
FOR THE YEAR ENDING DECEMBER 31, 2023

Financial Information		
Assets (Fiduciary Net Position)	$	56,515
Liabilities (Total OPEB Liability)		2,387,458
Funded ratio for the plan year		2.37%
Actuarially Determined Contribution	$	2,524,289
Is ARC calculated in compliance with No. Letter 2018-3?		Yes

Membership		
Active members		18
Retirees and beneficiaries		39
Premiums paid on behalf of the retirants	$	84,350

Actuarial Assumptions		
Actuarially assumed rate of investment return		0.00%
Discount rate		2.50%
Amortization method used for funding unfunded liability		Level % of Pay
Amortization period used for funding unfunded liability		1 years
Is each division closed to new employees		Yes
Healthcare trend assumption		N/A

Uniform Assumptions		
Actuarial value of assets using uniform assumptions	$	56,515
Actuarial accrued liability using uniform assumptions		2,387,458
Funded ratio using uniform assumptions		2.37%
Actuarially determined contribution (ADC) using uniform assumptions	$	1,287,363

ANTRIM COUNTY ROAD COMMISSION
EMPLOYEE BENEFIT SYSTEM
REQUIRED SUPPLEMENTARY INFORMATION
ASSUMPTIONS AND METHODS FOR CALCULATION OF ACTUARIALLY DETERMINED CONTRIBUTIONS
FOR THE YEAR ENDING DECEMBER 31, 2023

Valuation Date	December 31, 2023
Measurement Date	December 31, 2023
Reporting Date	December 31, 2023

Actuarial Methods

Cost method	Entry Age Normal (level percentage of compensation)
Asset valuation method	Equal to market value of assets

Actuarial Assumptions

Discount rate - 2.50%
Rationale - Blended rate based on long-term return on assets and 20-year Aa Municipal Bond

20-year Aa Municipal Bond Rate – 4.00%
Rationale – S&P Municipal Bond 20-year High Grade Rate Index as of June 30, 2023

Payroll inflation - 6.00% for all active participants except for two that have salary scale of 4.00%
Rationale - Employer experience and expectations

Return on plan assets - 2.50%
Rationale - Investment advisory

Mortality rates - 2010 Public General Employees and Health Retirees, headcount weighted, IRS 2024 Adjusted Scale MP-2021
Rationale - Most current mortality rates available for municipalities

Utilization - 100% of eligible employees will elect coverage at retirement; actual coverage used for non-active
Rationale - Historical experience

Termination rates - Sample rates below:
Rationale - Based on GASB recommended turnover

Age	Rate
25	6.8%
30	4.7
35	3.2
40	2.2
45	1.6
50+	0.0

Retirement rates - 100% at earliest retirement eligibility
Rationale - Conservative and consistent with Road Commission experience

Marital assumptions - Actual marital status and spouse date of birth used for both active retirees

Retiree Annual costs

	Pre-65	Medicare eligible
First 3 years of retirement	$3,000	$2,400

Rationale - Based on stipend amount currently provided and reported by the Road Commission

Medical inflation rate - N/A; stipend only provided

Implicit Subsidy - Not Applicable

Assumption changes since prior valuation
- Mortality improvement scale
- Salary increases from 3.00% to 6.00% for actives except for two, for which salary scale has been updated to 4.00%

Assumptions used for Public Act 202 Reporting
- All other assumptions are the same as used for GASB

ANTRIM COUNTY ROAD COMMISSION
EMPLOYEE BENEFIT SYSTEM
SCHEDULE OF AMORTIZATION OF DEFERRED OUTFLOWS/INFLOWS OF RESOURCES
FOR THE YEAR ENDING DECEMBER 31, 2023

Schedule of Difference between Expected and Actual Experience

Year	Difference between expected and actual experience	Recognition period (Years)	2023	2024	2025	2026	2027	2028	2029+	Deferred Outflow of Resources	Deferred Inflow of Resources
2023	(67,423)	1.00	$ (67,423)	$ -	$ -	$ -	$ -	$ -	$ -		$ -
Net recognized in OPEB expense			$ (67,423)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -

Schedule of Changes in Assumptions

Year	Changes in assumptions	Recognition period (Years)	2023	2024	2025	2026	2027	2028	2029+	Deferred Outflow of Resources	Deferred Inflow of Resources
2023	(29,668)	1.00	$ (29,668)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Net recognized in OPEB expense			$ (29,668)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -

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

Year	Difference between projected and actual earnings on OPEB assets	Recognition period (Years)	2023	2024	2025	2026	2027	2028	2029+	Deferred Outflow of Resources	Deferred Inflow of Resources
2020	-	5.00	$ 64	$ 65	$ -	$ -	$ -	$ -	$ -	$ 65	$ -
2021	-	5.00	131	131	132	-	-	-	-	263	-
2022	-	5.00	178	178	178	178	-	-	-	534	-
2023	388	5.00	78	78	78	78	76	-	-	310	-
Net recognized in OPEB expense			$ 451	$ 452	$ 388	$ 256	$ 76	$ -	$ -	$ 1,172	$ -

Total Deferred Outflow/(Inflow) of Resources

	2024	2025	2026	2027	2028	2029+
Total Deferred Outflow/(Inflow) of Resources	$ 452	$ 388	$ 256	$ 76	$ -	$ -

ANTRIM COUNTY ROAD COMMISSION
EMPLOYEE BENEFIT SYSTEM
REQUIRED SUPPLEMENTARY INFORMATION
SUMMARY OF PLAN PROVISIONS
FOR THE YEAR ENDING DECEMBER 31, 2023

Plan name - Antrim County Road Commission Retiree Health Care Plan

Eligibility requirement - Age 55 with 10 years of service

Employee benefits

Retire prior to July 1, 1999

Eligible retiree and surviving spouse (if any) has $150 per month contributed towards the employee and spouse coverage

Retire between July 1, 1999 and July 1, 2003

Eligible retiree and surviving spouse (if any) has $200 per month contributed towards the employee and spouse coverage

Retire on or after July 1, 2003

Eligible retiree and surviving spouse (if any) has $250 per month contributed towards the employee and spouse coverage. At age 65, those receiving $250 changes to $200 per month for life.

Hired on or after July 1, 2014

No benefits available under this plan

Retiree contribution - Balance of any cost not covered by the provided stipend

Changes since prior valuation - None

SUPPLEMENTAL SCHEDULES

ANTRIM COUNTY ROAD COMMISSION
ANALYSIS OF CHANGES OF FUND BALANCES
FOR THE YEAR ENDED DECEMBER 31, 2023

	Primary Road Fund	Local Road Fund	County Road Fund	Totals
Total Revenues	$ 6,899,227	$ 3,556,466	$ 2,043,659	$ 12,499,352
Total Expenditures	7,318,398	4,068,745	704,464	12,091,607
Excess of Revenues Over (Under) Expenditures	(419,171)	(512,279)	1,339,195	407,745
Interfund Transfers	-	500,000	(500,000)	-
Fund Balance - January 1, 2023	492,703	23,925	2,623,373	3,140,001
Fund Balance - December 31, 2023	$ 73,532	$ 11,646	$ 3,462,568	$ 3,547,746

ANTRIM COUNTY ROAD COMMISSION
ANALYSIS OF REVENUES
FOR THE YEAR ENDED DECEMBER 31, 2023

	Primary Road Fund	Local Road Fund	County Road Fund	Totals
Licenses and Permits	$ -	$ -	$ 58,871	$ 58,871
State Sources				
Michigan Transportation Fund				
Engineering	5,999	4,001	-	10,000
Allocation	3,875,054	2,584,668	-	6,459,722
Snow Removal	289,178	313,276	-	602,454
Other				
Pension Grant	-	-	180,242	180,242
Sale of Federal Aid	-	-	518,055	518,055
Economic Development Fund				
Rural Primary (D)	376,417	-	-	376,417
Forest Road	102,206	-	-	102,206
Contributions from Local Units				
Townships	2,249,575	651,405	-	2,900,980
Other	-	3,077	-	3,077
Charges for Services				
State Trunkline Maintenance/ Non-Maintenance	-	-	834,765	834,765
Salvage Sales	-	-	4,075	4,075
Interest and Rents	798	39	4,247	5,084
Other Revenue				
Gain (Loss) on Equipment Disposals	-	-	77,769	77,769
Other Financing Sources				
Lease Purchase Proceeds	-	-	365,635	365,635
Total Revenue	$ 6,899,227	$ 3,556,466	$ 2,043,659	$ 12,499,352

ANTRIM COUNTY ROAD COMMISSION
ANALYSIS OF EXPENDITURES
FOR THE YEAR ENDED DECEMBER 31, 2023

	Primary Road Fund	Local Road Fund	County Road Fund	Totals
Primary Road				
Preservation - Structural Improvements	$ 4,426,560	$ -	$ -	$ 4,426,560
Maintenance	1,433,561	-	-	1,433,561
Local Road				
Preservation - Structural Improvements	-	992,054	-	992,054
Maintenance	-	2,482,258	-	2,482,258
State Trunkline Maintenance/ Non-Maintenance	843,700	-	-	843,700
Other - State Pension Grant	-	-	180,242	180,242
Administrative Expense - Net	413,310	245,041	-	658,351
Equipment Expense - Net	201,267	349,392	112,873	663,532
Capital Outlay - Net	-	-	(204,432)	(204,432)
Long-Term Debt Payments	-	-	501,298	501,298
Interest Expense	-	-	114,483	114,483
Total Expenditures	$ 7,318,398	$ 4,068,745	$ 704,464	$ 12,091,607

TJW

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INDEPENDENT AUDITOR'S 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 20, 2024

Board of County Road Commissioners
Antrim County Road Commission
Mancelona, MI 49659

I 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, and major fund of the Antrim County Road Commission, a Special Revenue Fund of the County of Antrim, Michigan, as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the Antrim County Road Commission's basic financial statements and have issued my report thereon dated May 20, 2024.

Report on Internal Control over Financial Reporting

In planning and performing my audit of the financial statements, I considered the Antrim County Road Commission's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing my opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Antrim County Road Commission's internal control. Accordingly, I do not express an opinion on the effectiveness of the Antrim County Road 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.

My consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during my audit I did not identify any deficiencies in internal control that I 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 Antrim County Road Commission's financial statements are free from material misstatement, I 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 determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit, and accordingly, I do not express such an opinion. The results of my 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 my testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity'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.

Tyler Watters CPA

TYLER J. WATTERS, P.C.
CERTIFIED PUBLIC ACCOUNTANT

TJW

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May 20, 2024

Board of County Road Commissioners
Antrim County Road Commission
Mancelona, MI 49659

I have audited the financial statements of the governmental activities, major fund and the aggregate remaining fund information of the Antrim County Road Commission for the year ended December 31, 2023. Professional standards require that I provide you with information about my responsibilities under generally accepted auditing standards as well as certain information related to the planned scope and timing of my audit. I have communicated such information in my letter to you dated August 9, 2023. Professional standards also require that I communicate to you the following information related to my audit.

Significant Audit Matters

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Antrim County Road Commission are described in Note A to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during 2023. I noted no transactions entered into by the Road Commission 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 estimate affecting the Road Commission's financial statements was:

- Management's estimate of the accumulated depreciation and depreciation expense is based on historical cost and estimated useful life. I evaluated the key factors and assumptions used to develop the accumulated depreciation and depreciation expense in determining that it is reasonable in relation to the financial statements taken as a whole.
- Management's estimate of the liability for other post-employment benefits and the estimate of the current portion of vested employee benefits.
- Management's estimate of the actuarially calculated longevity cost, Liabilities, and Assets for the pension plan and other post-employment benefits obligation were based on actuarial assumptions and estimates.

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

Difficulties Encountered in Performing the Audit

I encountered no significant difficulties in dealing with management in performing and completing my audit.

Corrected and Uncorrected Misstatements

Professional standards require me 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. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to each opinion unit's financial statements taken as a whole.

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 my satisfaction, that could be significant to the financial statements or the auditor's report. I am pleased to report that no such disagreements arose during the course of my audit.

Management Representations

I have requested certain representations from management that are included in the management representation letter dated May 20, 2024.

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 Antrim County Road Commission's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, my professional standards require the consulting accountant to check with me to determine that the consultant has all the relevant facts. To my knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

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

During the course of my audit of the basic financial statements of the Antrim County Road Commission for the year ended December 31, 2023, I noted the following items which I believe should be brought to your attention:

Parts & Materials Inventory

The Road Commission's inventory is physically counted at year end on an annual basis. I recommend that a comprehensive physical inventory be conducted at least annually but preferably each quarter. This allows for discrepancies to be found and accounted for on a timely basis.

Fuel Inventory

I recommend completing a monthly reconciliation comparing the Inventory Audit by Journal report to the monthly fuel tracking spreadsheets. This allows for clerical mistakes to be found and accounted for in a timely manner.

Budgets

The Road Commission follows the procedures in establishing the budgetary data reflected in the financial statements in accordance with the Uniform Budgeting and Accounting Act (Act No. 621, Public Act of 1978) as prescribed by the State of Michigan.

Public Act 621 of 1978, section 18 (1), as amended, provides that County Road Commission shall not incur expenditures in excess of amounts appropriated. As presented in the financial statements for the year ended December 31, 2023, the County Road Commission incurred expenditures, which were in excess of the amount appropriated as follows:

	Total Appropriations	Amount of Expenditures	Budget Variance
Primary Road:			
Preservation	$ 4,400,000	$ 4,426,560	$ (26,560)
Local Road:			
Maintenance	$ 2,400,000	$ 2,482,258	$ (82,258)
Other - State Pension Grant	$ -	$ 180,242	$ (180,242)
Equipment Expense - Net	$ -	$ 663,532	$ (663,532)
Long-Term Debt Payments	$ 470,000	$ 501,298	$ (31,298)
Interest Expense	$ -	$ 114,483	$ (114,483)

Other Matters

I applied certain limited procedures to the Budgetary Comparison Schedules and the Schedule of Changes in OPEB Liability and Related Ratios, which are a required supplementary information (RSI) that supplements the basic financial statements. My procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to my inquiries, the basic financial statements, and other knowledge I obtained during my audit of the basic financial statement. I did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

Restriction on Use

This information is intended solely for the information and use of the Board of County Road Commissioners, and management of the Antrim County Road Commission and is not intended to be, and should not be, used by anyone other than these specified parties. However, this report is a matter of public record and its distribution is not limited.

Tyler Watters CPA

Tyler J. Watters, P.C.
Certified Public Accountant

Appendix C
Road Projects Completed

2023 Projects

Project	Termini	Length (miles)	Project Description	Cost	Allocation to be Deducted	Total Township Contribution
Grand Total		**25.56**		**$5,340,448.16**	**$599,636**	**$2,900,980.43**
ACRC Total		**6.67**		**$2,714,415.53**	**$204,184**	**$400,000**
ACRC		**6.67**		**$2,714,415.53**	**$204,184**	**$400,000**
Eddy School Rd	Derenzy to M 66	6.67	Reconstruct	$2,561,981.26	$204,184	$400,000
Pavement marking	All primary roads			$152,434.27		
Township Total		**18.89**		**$2,626,032.63**	**$395,452**	**$2,500,980.43**
Banks Township		**3.09**		**$583,187.38**	**$40,828**	**$509,553.19**
Rushton Rd	Twp line to village line	3.02	Crush & shape, repave	$565,612.38	$40,828	$491,978.19
Pleasant Hill Rd	350' near Austin farm	0.07	Undercut & repave	17,575.00	$0	$17,575.00
Central Lake Township		**1.67**		**$312,667.71**	**$36,243**	**$276,424.71**
Rushton Rd	Morhmann Br Rd to twp line	1.67	Crush & shape, repave	$312,667.71	$36,243	$276,424.71
Chestonia Township		**0.00**		**$0.00**	**$0**	**$37,500.00**
Satterly Lake Rd	Between Satterly Lake and Alba		Build turn around		$0	$15,000.00
Jordan River Rd	at north end of potato fields		Drainage improvements		$0	$22,500.00
Custer Township		**2.78**		**$419,291.49**	**$31,637**	**$387,654.49**
Bebb Rd	West Twp line to Leonard	1.80	Crush & shape, repave	$309,617.60	$31,637	$277,980.60
Way Rd	Bebb to Ricksgers	0.98	Add 4" gravel	109,673.89	$0	$109,673.89
Echo Township		**0.51**		**$56,689.35**	**$33,280**	**$16,720.00**
Graham Rd	end pavement to county line	0.51	Add 4" gravel	$56,689.35	$33,280	$16,720.00
Elk Rapids Township		**1.97**		**$109,797.22**	**$23,052**	**$86,745.22**
S Bayshore Dr	US 31 to village limits	0.26	Crush & shape, repave	$105,709.65	$23,052	$82,657.65
Townline Rd	US 31 to Munro	0.70	Crack seal	$1,589.61	$0	$1,589.61
E & W Harbor Dr and Inwood Cr	Crack seal	1.01	Crack seal	$2,497.96	$0	$2,497.96
Forest Home Township		**0.00**		**$0.00**	**$0**	**$0.00**
Helena Township		**0.72**		**$163,633.49**	**$20,119**	**$143,514.49**
E Torch Lake Dr	Paige to north 3800"	0.72	HMA overlay	$163,633.49	$20,119	$143,514.49
Jordan Township		**2.30**		**$0.00**	**$0**	**$280,000.00**
Mt. Bliss Rd - held until 2024	North township line south 2 miles	2.30	Crush & shape, repave		$0	$280,000.00
Kearney Township		**0.00**		**$0.00**	**$0**	**$0.00**
Mancelona Township		**1.24**		**$111,803.50**	**$86,400**	**$21,599.00**
Zip School Rd	North Maple west to seasonal road	1.24	Add gravel	$111,803.50	$86,400	$21,599.00
Milton Township		**0.75**		**$117,221.03**	**$40,730**	**$76,491.03**
Sutter Ln	Sutter Rd to south end	0.28	Pave gravel	$69,071.81	$20,730	$48,341.81
Hoopfer Rd	WTLD-west to end of turn around	0.13	Add 4" gravel	24,143.27	$10,000	$14,143.27
Jones Rd	Cherry to east end	0.34	Add 6" gravel	24,005.95	$10,000	$14,005.95
Star Township		**0.86**		**$173,022.24**	**$44,836**	**$128,186.24**
Winterset Dr	Shadyshore to end of existing HMA	0.47	HMA overlay	81,352.09	$22,000	$59,352.09
Tobias Rd	end of existing HMA to Eastcott	0.39	Pave gravel	$91,670.15	$22,836	$68,834.15
Jordan River Rd	at north end of potato fields		Drainage improvements			
Torch Lake Township		**2.38**		**$541,242.93**	**$19,141**	**$518,301.77**
Old Mission Estates roads (5)	all	0.97	Pave gravel	299,131.87	$19,141	$279,990.87
Barnes Rd	US 31 to W Torch Lake	1.09	HMA overlay	187,345.66	$0	$187,345.66
Lore Rd	just west of Old Dixie	0.04	Undercut & repave	23,800.16		$20,000.00
Stone Circle	US 31 east to end of county road	0.29	Add 4" gravel	30,965.24		$30,965.24
Warner Township		**0.61**		**$37,476.29**	**$19,186**	**$18,290.29**
Blasko Rd	Francis to north end	0.61	Add 4" gravel	37,476.29	$19,186	$18,290.29