

**Transportation Authority of Calhoun County**  
**Meeting Agenda**  
**March 25, 2026**  
**Ride Calhoun Administrative Offices**  
**49 South Cass St., Battle Creek, MI 49037**

- I. Call to Order
- II. Roll Call
- III. Approval of Agenda
- IV. Public Comments on Agenda Items
- V. Consent Agenda
  - a. February 11, 2026 Meeting Minutes
  - b. Finance and Budget Report
  - c. AP approval through March 20, 2026
- VI. Unfinished Business
- VII. New Business
  - a. Presentation and Acceptance of Fiscal Year 2025 Audit
  - b. Resolution 10-2026 – Contract Award for Employee Benefits Broker
  - c. Resolution 11-2026 – Contract Award for Property & Casualty Broker
  - d. Resolution 12-2026 – Adoption of Bank Reconciliation Policy
  - e. Resolution 13-2026 – Adoption of Accounts Payable (AP) Policy
  - f. Resolution 14-2026 – Approval of Third Party Agreement with MPTA
- VIII. Public Comments on Non-Agenda Items
- IX. Board and Executive Director Comments
  - a. Communications to the Board
  - b. Legislative Updates
  - c. Consultant Updates – Peter Varga/Clark Harder
- X. Dates of Next Meetings
  - a. Board Meeting – April 8, 2026 (5:30pm at Ride Calhoun Administrative Office)
- XI. Adjournment

**Transportation Authority of Calhoun County**  
**Meeting Minutes**  
**February 11, 2026**  
**Ride Calhoun Administrative Offices**  
**49 South Cass St., Battle Creek, MI 49037**

**I. Call to Order**

The meeting was called to order by Vice Chairperson Tom Tarkiewicz at 5:30 p.m.

**II. Roll Call**

Members present: Tom Tarkiewicz, Vivian Davis, Maya Williams, Amy Evans, Dr. Paul Watson (via zoom)

Members absent: Erick Stewart and Jenasia Morris

**III. Proclamation/Dedication of Ride Calhoun Board Room**

Mallory Avis, TACC Executive Director spoke about previous employees Richard Werner and Merritt Wilson. Tarkiewicz then read a proclamation declaring the board room the Werner – Wilson Board Room and their family were extended TACC's gratitude.

**IV. Approval of Agenda**

It was motioned by Evans and supported by Davis to approve the Agenda.

Motion carried.

**V. Public comment on Agenda Items**

None.

**VI. Consent Agenda**

It was motioned by Davis and supported by Williams to approve the Consent Agenda.

**VII. Public Hearings Regarding Proposed Fare Structure**

Mallory Avis, TACC Executive Director, presented a fare structure proposal to the board.

The public hearing opened at 5:58 p.m.

- Rick Masters expressed his interest in working with the TACC in the future in the Bedford Township area.
- Eric Scott questioned whether a comparison had been done on what the past taxi service in Battle Creek used to charge versus what TACC anticipates RC Flex will charge.

Public hearing closed at 6:05 p.m.

**VIII. Unfinished Business**

None.

**IX. New Business**

- a) It was motioned by Evans and supported by Davis to approve Resolution 04-2026 – Adoption of Grant Approval and Oversight Policy.  
Motion carried.
- b) It was motioned by Davis and supported by Evans to approve the Resolution 05-2026 – Adoption of Public Transportation Agency Safety Plan (PTASP) and Targets.  
Motion carried.
- c) It was motioned by Evans and supported by Williams to approve Resolution 06-2026 – Approval of Marian Burch Adult Day Center Subcontract.  
Motion carried.
- d) It was motioned by Davis and supported by Williams to approve Resolution 07-2026 – Approval of Community Action Agency Subcontract.  
Motion carried.

- e) It was motioned by Evans and supported by Williams to approve Resolution 08-2026 – Approval of Community Inclusive Recreation Subcontract.  
Motion carried.
- f) It was motioned by Davis and supported by Williams to approve Resolution 09-2026 – MDOT Resolution of Intent to Apply for State and Federal Funding.  
Motion carried.

**X. Public Comments on Non-Agenda Items**

None.

**XI. Board and Executive Director Comments**

- a) Evans read a statement she prepared expressing her appreciation, as she did at the public hearing on January 27<sup>th</sup>, to everyone or their continued dedication and hard work to Ride Calhoun.
- b) Tarkiewicz announced that Marshall City Council has appointed him to the two neighborhood improvement authorities that are capturing some of our tax dollars through their TIFA.
- c) Peter Varga expressed that he and Clark Harder are up to date on issues with Ride Calhoun and continue to be ready to collaborate with Mallory and the Board in communications with FTA and MDOT. As TACC is moving into finalizing this year of transition, they stand ready to help the board do its work until it's done.

**XII. Next Meetings**

- a) Public Hearing – Albion, TBD, March 2026
- b) Board Meeting – March 11, 2026 (5:30 pm at Ride Calhoun Administrative Office)

**XIII. Adjournment**

6:26 p.m.

Respectfully Submitted,

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Vivian Davis, Secretary

## Transportation Authority of Calhoun County Statement of Net Position

As of February 28, 2026

	Month Ending 02/28/2026	Month Ending 01/31/2026
<b>Assets</b>		
Current Assets	8,730,669.48	7,741,519.91
<b>Total Assets</b>	<b>\$ 8,730,669.48</b>	<b>\$ 7,741,519.91</b>
<b>Liabilities and Net Position</b>		
Liabilities		
Current Liabilities	55,639.14	74,379.06
Total Liabilities	55,639.14	74,379.06
Net Position		
Unrestricted Net Position	7,667,140.85	5,283,372.73
Change in Net Position	1,007,889.49	2,383,768.12
Total Net Position	8,675,030.34	7,667,140.85
<b>Total Liabilities and Net Position</b>	<b>\$ 8,730,669.48</b>	<b>\$ 7,741,519.91</b>

## Transportation Authority of Calhoun County Statement of Revenues, Expenses, and changes in Net Position

As of February 28, 2026

	Current Month 02/28/2026	Current FYTD 02/28/2026	Prior Month 01/31/2026	Prior FYTD 09/30/2025
<b>Revenue</b>				
Revenue - Sales				
4010001 - Farebox Revenue	0.00	5,637.17	0.00	0.00
<b>Total Revenue - Sales</b>	<b>0.00</b>	<b>5,637.17</b>	<b>0.00</b>	<b>0.00</b>
Revenue - Other				
4080001 - Property Tax Revenue - Calhoun County	0.00	(387.47)	0.00	421,313.98
4080002 - Property Tax Revenue - City of Albion	63,127.77	120,375.34	33,574.58	253,797.89
4080003 - Property Tax Revenue - City of Battle Creek	285,277.79	2,053,432.77	1,763,991.60	3,235,749.94
4080004 - Property Tax Revenue - City of Marshall	305,133.10	624,352.39	256,575.97	635,792.50
4080005 - Property Tax Revenue - City of Springfield	106,062.27	211,258.11	81,138.26	234,534.41
4110100 - State Operating Assistance	261,952.00	1,309,760.00	261,952.00	0.00
<b>Total Revenue - Other</b>	<b>1,021,552.93</b>	<b>4,318,791.14</b>	<b>2,397,232.41</b>	<b>4,781,188.72</b>
<b>Total Revenue</b>	<b>1,021,552.93</b>	<b>4,324,428.31</b>	<b>2,397,232.41</b>	<b>4,781,188.72</b>
<b>Operating Expenses</b>				
General and Administrative Expenses				
Due and Subscriptions				
5090300 - Dues & Subscriptions	1,924.00	20,282.55	0.00	924.00
<b>Total Due and Subscriptions</b>	<b>1,924.00</b>	<b>20,282.55</b>	<b>0.00</b>	<b>924.00</b>
Travel, Meals and Entertainment				
Travel Expenses				
5090201 - Travel & Meetings and Trainings - Travel	12.75	12.75	0.00	0.00
5090202 - Travel & Meetings and Trainings - Training	0.00	0.00	0.00	2,278.28
<b>Total Travel Expenses</b>	<b>12.75</b>	<b>12.75</b>	<b>0.00</b>	<b>2,278.28</b>
<b>Total Travel, Meals and Entertainment</b>	<b>12.75</b>	<b>12.75</b>	<b>0.00</b>	<b>2,278.28</b>
<b>Total General and Administrative Expenses</b>	<b>1,936.75</b>	<b>20,295.30</b>	<b>0.00</b>	<b>3,202.28</b>
Marketing and Advertising Expenses				
Advertising and Promotion				
5030200 - Advertising Fees	303.00	1,219.00	0.00	50.00
<b>Total Advertising and Promotion</b>	<b>303.00</b>	<b>1,219.00</b>	<b>0.00</b>	<b>50.00</b>
<b>Total Marketing and Advertising Expenses</b>	<b>303.00</b>	<b>1,219.00</b>	<b>0.00</b>	<b>50.00</b>
Payroll and Related Expenses				
Benefits				
5020000 - Fringe Benefits	0.00	2,180.96	0.00	0.00
<b>Total Benefits</b>	<b>0.00</b>	<b>2,180.96</b>	<b>0.00</b>	<b>0.00</b>
Salary and Wages				
5010100 - Operators Salaries & Wages	0.00	21,035.46	0.00	0.00
5010200 - Other Salaries & Wages	0.00	1,061.00	0.00	0.00
5010300 - Dispatchers' Salaries & Wages	0.00	6,413.09	0.00	0.00
<b>Total Salary and Wages</b>	<b>0.00</b>	<b>28,509.55</b>	<b>0.00</b>	<b>0.00</b>
<b>Total Payroll and Related Expense</b>	<b>0.00</b>	<b>30,690.51</b>	<b>0.00</b>	<b>0.00</b>
Utilities and Facilities				
Rent				

## Transportation Authority of Calhoun County Statement of Revenues, Expenses, and changes in Net Position

As of February 28, 2026

	Current Month 02/28/2026	Current FYTD 02/28/2026	Prior Month 01/31/2026	Prior FYTD 09/30/2025
5120003 - Operating Leases and Rental - Other	0.00	6,218.10	0.00	275.00
5125001 - Lease/Rental Agreements > 12 months	0.00	26,937.00	14,437.00	0.00
<b>Total Rent</b>	<b>0.00</b>	<b>33,155.10</b>	<b>14,437.00</b>	<b>275.00</b>
<b>Utilities</b>				
5050001 - Utilities - Electricity	265.65	265.65	0.00	0.00
5050002 - Utilities - Gas	136.95	136.95	0.00	0.00
<b>Total Utilities</b>	<b>402.60</b>	<b>402.60</b>	<b>0.00</b>	<b>0.00</b>
<b>Total Utilities and Facilities</b>	<b>402.60</b>	<b>33,557.70</b>	<b>14,437.00</b>	<b>275.00</b>
<b>Operating and Maintenance Expenses</b>				
<b>Miscellaneous Expense</b>				
5099900 - Other Misc. Expense	0.00	0.00	0.00	764.71
<b>Total Miscellaneous Expense</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>764.71</b>
<b>Professional Services</b>				
5039901 - Accounting Services	15,953.50	84,311.50	2,932.00	63,022.50
5039902 - Legal Services	10,273.50	31,267.25	3,948.75	132,195.15
5039903 - IT Services	0.00	4,912.39	0.00	0.00
5039904 - All Other Professional and Technical Services	7,892.80	105,567.03	12,116.54	179,515.83
<b>Total Professional Services</b>	<b>34,119.80</b>	<b>226,058.17</b>	<b>18,997.29</b>	<b>374,733.48</b>
<b>Total Operating and Maintenance Expenses</b>	<b>34,119.80</b>	<b>226,058.17</b>	<b>18,997.29</b>	<b>375,498.19</b>
<b>Taxes and Insurance</b>				
<b>Insurance</b>				
5060301 - Liability Insurance	0.00	197,682.00	0.00	1,726.75
<b>Total Insurance</b>	<b>0.00</b>	<b>197,682.00</b>	<b>0.00</b>	<b>1,726.75</b>
<b>Total Taxes and Insurance</b>	<b>0.00</b>	<b>197,682.00</b>	<b>0.00</b>	<b>1,726.75</b>
<b>Total Operating Expenses</b>	<b>36,762.15</b>	<b>509,502.68</b>	<b>33,434.29</b>	<b>380,752.22</b>
<b>Other Revenue (Expense)</b>				
<b>Other Revenue</b>				
<b>Interest Revenue</b>				
4140000 - Interest	23,098.71	92,564.46	19,970.00	132,604.61
<b>Total Interest Revenue</b>	<b>23,098.71</b>	<b>92,564.46</b>	<b>19,970.00</b>	<b>132,604.61</b>
<b>Total Other Revenue</b>	<b>23,098.71</b>	<b>92,564.46</b>	<b>19,970.00</b>	<b>132,604.61</b>
<b>Other Expense</b>				
<b>Other Expenses</b>				
5040100 - Fuel & Lubricants	0.00	(3,164.77)	0.00	0.00
5049904 - Other Materials & Supplies - Equipment Maintenance	0.00	(315.42)	0.00	0.00
5049905 - Other Materials & Supplies - Office	0.00	(92.74)	0.00	0.00
5500900 - Ineligible Percent of Association Dues	0.00	(1,205.17)	0.00	0.00
<b>Total Other Expenses</b>	<b>0.00</b>	<b>(4,778.10)</b>	<b>0.00</b>	<b>0.00</b>
<b>Total Other Expense</b>	<b>0.00</b>	<b>(4,778.10)</b>	<b>0.00</b>	<b>0.00</b>
<b>Total Other Revenue (Expense)</b>	<b>23,098.71</b>	<b>87,786.36</b>	<b>19,970.00</b>	<b>132,604.61</b>
<b>Change in Net Position</b>	<b>\$ 1,007,889.49</b>	<b>\$ 3,902,711.99</b>	<b>\$ 2,383,768.12</b>	<b>\$ 4,533,041.11</b>

**Transportation Authority of Calhoun County  
Board AP Bill Approval Report**

<b>Vendor Name</b>	<b>Bill Number</b>	<b>Description</b>	<b>Bill Date</b>	<b>GL Date</b>	<b>Amount</b>
Battle Creek Area Chamber of Commerce	11874	Membership 3/1/26-3/1/27	02/01/2026	02/01/2026	424.00
Bright Light Real Estate, LLC	LEASE 04.2026	Lease Agreement - April 2026 Payment	03/16/2026	03/16/2026	4,233.00
Evans, Amy	009826	Reimb. short-term parking 2/10/26 - Transportation Bonanza 2026	02/10/2026	02/10/2026	12.75
Greater Albion Chamber of Commerce and Visitors Bureau	1094	Annual Member Fees and Dues	02/05/2026	02/05/2026	250.00
King Media, Inc.	84403	FY26 March Billing - Awareness and Perception Media Campaign March 2026	02/24/2026	02/24/2026	7,390.00
Maner Costerisan & Ellis, PC	78686	Project Oversight - January 2026	02/16/2026	02/16/2026	15,698.50
Maner Costerisan & Ellis, PC	79539	2026 Intacct Ongoing Support	02/24/2026	02/24/2026	255.00
Maner Costerisan & Ellis, PC	80299	Project oversight - February 2026	03/16/2026	03/16/2026	8,276.50
Miller Johnson	2048717	General Corporate Matters - January 2026	02/20/2026	02/20/2026	8,251.25
Miller Johnson	2048716	General Labor Matters - January 2026	02/20/2026	02/20/2026	2,022.25
Miller Johnson	2053006	General Labor Matters - through 2/28/26	03/09/2026	03/09/2026	127.00
Miller Johnson	2053007	General Corporate Matters - through 2/28/26	03/10/2026	03/10/2026	22,286.25
View Newspaper Group	Ad# 699033	Public Notice 1/4 Page - BCS	02/05/2026	02/05/2026	303.00
<b>Sum Total</b>					<b>69,529.50</b>

## Transportation Authority of Calhoun County

Vendor ID	Vendor Name	Bill Number	Description	Date	GL Posting Date	Bill Amount	Payment Date	Total paid	Document or check no.
V000012	Bright Light Real Estate, LLC	1002	Utility Costs - February (25% per contract)	03/01/2026	03/01/2026	416.54	03/16/2026	416.54	10032
V000012	Bright Light Real Estate, LLC	1002	Utility Costs - February (25% per contract)	03/01/2026	03/01/2026	416.54	03/16/2026	416.54	10032
V000012	Bright Light Real Estate, LLC	1002	Utility Costs - February (25% per contract)	03/01/2026	03/01/2026	416.54	03/16/2026	416.54	10032
V000012	Bright Light Real Estate, LLC	1002	Utility Costs - February (25% per contract)	03/01/2026	03/01/2026	416.54	03/16/2026	416.54	10032
V000012	Bright Light Real Estate, LLC	1001	Utility Costs - January 2026 (25% Gas / Electric Bill)	02/01/2026	02/01/2026	402.60	03/03/2026	402.60	10031
V000012	Bright Light Real Estate, LLC	1001	Utility Costs - January 2026 (25% Gas / Electric Bill)	02/01/2026	02/01/2026	402.60	03/03/2026	402.60	10031
V000012	Bright Light Real Estate, LLC	1001	Utility Costs - January 2026 (25% Gas / Electric Bill)	02/01/2026	02/01/2026	402.60	03/03/2026	402.60	10031
V000012	Bright Light Real Estate, LLC	1001	Utility Costs - January 2026 (25% Gas / Electric Bill)	02/01/2026	02/01/2026	402.60	03/03/2026	402.60	10031

## INDEPENDENT AUDITORS' COMMUNICATION WITH THOSE CHARGED WITH GOVERNANCE

March 16, 2026

Board of Directors  
Transportation Authority of Calhoun County  
Battle Creek, Michigan

We have audited the financial statements of the ***Transportation Authority of Calhoun County*** (the "Authority") as of and for the year ended September 30, 2025, and have issued our report thereon dated March 16, 2026. Professional standards require that we advise you of the following matters relating to our audit.

### **Our Responsibility in Relation to the Financial Statement Audit**

As communicated in our engagement letter dated October 21, 2025, our responsibility, as described by professional standards, is to form and express opinions about whether the financial statements that have been prepared by management with your oversight are fairly presented, in all material respects, in conformity with accounting principles generally accepted in the United States of America. Our audit of the financial statements does not relieve you or management of your respective responsibilities.

Our responsibility, as prescribed by professional standards, is to plan and perform our audit to obtain reasonable, rather than absolute, assurance about whether the financial statements are free of material misstatement. An audit of financial statements includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control over financial reporting. Accordingly, as part of our audit, we considered the internal control of the Authority solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

We are also responsible for communicating significant matters related to the audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures for the purpose of identifying other matters to communicate to you.

We have provided our findings regarding internal control over financial reporting and compliance noted during our audit in a separate letter to you dated March 16, 2026. In addition, we noted certain other matters which are included in Attachment A to this letter.



### **Planned Scope and Timing of the Audit**

We performed the audit according to the planned scope and timing previously communicated to you in our engagement letter and in our meeting about planning matters on January 12, 2026.

### **Compliance with All Ethics Requirements Regarding Independence**

The engagement team, others in our firm, as appropriate, and our firm has complied with all relevant ethical requirements regarding independence.

### **Qualitative Aspects of the Authority's Significant Accounting Practices**

#### *Significant Accounting Policies*

Management has the responsibility to select and use appropriate accounting policies. A summary of the significant accounting policies adopted by the Authority is included in Note 1 to the financial statements.

There have been no initial selections of accounting policies and no changes in significant accounting policies or their application during the year.

No matters have come to our attention that would require us, under professional standards, to inform you about (1) the methods used to account for significant unusual transactions and (2) the effect of significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.

#### *Significant Accounting Estimates*

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's current judgments. Those judgments are normally based on 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 markedly from management's current judgments. We did not identify any significant accounting estimates affecting the financial statements in the current year.

### **Significant Difficulties Encountered During the Audit**

We encountered no significant difficulties in dealing with management relating to the performance of the audit.

**Uncorrected and Corrected Misstatements**

For purposes of this communication, professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that we believe are trivial, and communicate them to the appropriate level of management. Further, professional standards require us to also communicate the effect of uncorrected misstatements related to prior periods on the relevant classes of transactions, account balances or disclosures, and the financial statements as a whole and each applicable opinion unit. In addition, professional standards require us to communicate to you all material, corrected misstatements that were brought to the attention of management as a result of our audit procedures. We did not identify any misstatements during our audit.

**Disagreements with Management**

For purposes of this letter, professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter, which could be significant to the Authority's financial statements or the auditors' report. No such disagreements arose during the course of the audit.

**Representations Requested from Management**

We have requested certain written representations from management, which are included in Attachment C to this letter.

**Management's Consultations with Other Accountants**

In some cases, management may decide to consult with other accountants about auditing and accounting matters. Management informed us that, and to our knowledge, there were no consultations with other accountants regarding auditing and accounting matters.

**Other Significant Matters, Findings, or Issues**

In the normal course of our professional association with the Authority, we generally discuss a variety of matters, including the application of accounting principles and auditing standards, operating and regulatory conditions affecting the entity, and operational plans and strategies that may affect the risks of material misstatement. None of the matters discussed resulted in a condition to our retention as the Authority's auditors.

### **Upcoming Changes in Accounting Standards**

Generally accepted accounting principles (GAAP) are continually changing in order to promote the usability and enhance the applicability of information included in external financial reporting. While it would not be practical to include an in-depth discussion of every upcoming change in professional standards, Attachment B to this letter contains a brief overview of recent pronouncements of the Governmental Accounting Standards Board (GASB) and their related effective dates. Management is responsible for reviewing these standards, determining their applicability, and implementing them in future accounting periods.

This information is intended solely for the use of the governing body and management of the ***Transportation Authority of Calhoun County*** and is not intended to be and should not be used by anyone other than these specified parties.

*Rehmann Lohman LLC*

# TRANSPORTATION AUTHORITY OF CALHOUN COUNTY

## Attachment A - Comments and Recommendations

For the September 30, 2025 Audit

During our audit, we became aware of certain other matters that are opportunities for strengthening internal control and/or improving operating efficiency. This memorandum summarizes our comments and recommendations regarding those matters. Our consideration of the Authority's internal control over financial reporting is described in our report, dated March 16, 2026, issued in accordance with *Government Auditing Standards*. This memorandum does not affect that report or our report dated March 16, 2026, on the financial statements of the *Transportation Authority of Calhoun County*.

*Other Matter*

### ***Bank Reconciliations***

During our testing of the controls over revenue recognition, we noted that the March 2025 bank reconciliation was not completed until November 2025, indicating a significant delay in the performance of this key control. Additionally, the reconciliation did not contain evidence of preparer or reviewer signatures, and there was no documentation indicating the dates on which the preparer and reviewer completed their work. Furthermore, during our testing of the ending cash balance, we observed that although signatures were present on the reconciliation, the signatures were not dated, further limiting the ability to verify the timeliness and appropriateness of the review process. Management should require that all bank reconciliations be prepared and reviewed within a defined timeframe (e.g., within 6 weeks of month-end as required by the state) and that the preparer and reviewer sign and date the reconciliation at the time of completion. Management should also implement periodic monitoring to verify timeliness and proper documentation. These actions are necessary to ensure the effectiveness of internal controls over cash, provide a verifiable audit trail, and support the timely detection and correction of errors or irregularities—thereby promoting the accuracy and reliability of financial reporting.



# TRANSPORTATION AUTHORITY OF CALHOUN COUNTY

## Attachment B - Upcoming Changes in Accounting Standards / Regulations

For the September 30, 2025 Audit

The following pronouncements of the Governmental Accounting Standards Board (GASB) have been released recently and may be applicable to the Authority in the near future. We encourage management to review the following information and determine which standard(s) may be applicable to the Authority. For the complete text of these and other GASB standards, visit [www.gasb.org](http://www.gasb.org) and click on the “Standards & Guidance” tab. If you have questions regarding the applicability, timing, or implementation approach for any of these standards, please contact your audit team.

### **GASB 103 ■ Financial Reporting Model Improvements**

*Effective 06/15/2026 (your FY 2026)*

This standard establishes new accounting and financial reporting requirements—or modifies existing requirements—related to the following: a. management’s discussion and analysis (MD&A), b. unusual or infrequent items, c. presentation of the proprietary fund statement of revenues, expenses, and changes in fund net position, d. information about major component units in basic financial statements, e. budgetary comparison information, and f. financial trends information in the statistical section.

### **GASB 104 ■ Disclosure of Certain Capital Assets**

*Effective 06/15/2026 (your FY 2026)*

This standard requires certain types of capital assets to be disclosed separately in the capital assets note disclosures, requires certain intangible assets to be disclosed separately by major class, and requires additional disclosures for capital assets held for sale.

### **GASB 105 ■ Subsequent Events**

*Effective 06/15/2027 (your FY 2027)*

This standard defines subsequent events as transactions or other events that occur after the date of the financial reporting statements but before the date the financial statements are available to be issued, modifies the subsequent events time frame throughout the GASB literature, and also clarifies the different types of subsequent events, when note disclosures are required, and the information that should be included in those note disclosures.



# TRANSPORTATION AUTHORITY OF CALHOUN COUNTY

## Attachment C - Management Representations

For the September 30, 2025 Audit

The following pages contain the written representations that we requested from management.



March 16, 2026

Rehmann Robson  
5800 Gratiot Road, Suite  
Saginaw, Michigan 48638

This representation letter is provided in connection with your audit of the financial statements of the **Transportation Authority of Calhoun County** (the "Authority"), as of and for the year ended September 30, 2025, and the related notes to the financial statements, for the purpose of expressing opinions on whether the basic financial statements present fairly, in all material respects, the financial position, results of operations, and cash flows of the Authority in conformity with accounting principles generally accepted for governments in the United States of America (U.S. GAAP).

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in the light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement.

We confirm that, having made such inquiries as we considered necessary for the purpose of appropriately informing ourselves as of March 16, 2026:

### Financial Statements

1. We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter dated October 21, 2025, for the preparation and fair presentation of the financial statements of the various opinion units referred to above in accordance with U.S. GAAP.
2. The financial statements referred to above have been fairly presented in accordance with U.S. GAAP, and include all properly classified funds, required supplementary information, and notes to the basic financial statements.
3. With respect to the nonattest services provided, which include any assistance you provided in drafting the financial statements and related notes, proposing standard, adjusting or conversion journal entries, we have performed the following:
  - a. Made all management decisions and performed all management functions;
  - b. Assigned a competent individual to oversee the services;
  - c. Evaluated the adequacy of the services performed;
  - d. Evaluated and accepted responsibility for the result of the service performed; and
  - e. Established and maintained internal controls, including monitoring ongoing activities.
4. We acknowledge our responsibility 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.

269.966.3474

339 W. Michigan Ave., Battle Creek, MI 49037

RideCalhoun.org



5. We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.
6. Significant assumptions used by us in making accounting estimates, including those measured at fair value, are reasonable.
7. Related party relationships and transactions have been appropriately accounted for and disclosed in accordance with the requirements of U.S. GAAP. For the purposes of this letter, related parties mean members of the governing body; board members; administrative officials; immediate families of administrative officials, board members, and members of the governing body; and any companies affiliated with or owned by such individuals.
8. All events subsequent to the date of the financial statements and for which U.S. GAAP requires adjustment or disclosure have been adjusted or disclosed.
9. The effects of all known actual or possible litigation and claims have been accounted for and disclosed in accordance with U.S. GAAP.
10. With regard to items reported at fair value:
  - a. The underlying assumptions are reasonable, and they appropriately reflect management's intent and ability to carry out its stated courses of action.
  - b. The measurement methods and related assumptions used in determining fair value are appropriate in the circumstances and have been consistently applied.
  - c. The disclosures related to fair values are complete, adequate, and in conformity with U.S. GAAP.
  - d. There are no subsequent events that require adjustments to the fair value measurements and disclosures included in the financial statements.
11. All components of net position and fund balance classifications have been properly reported.
12. All funds and activities are properly classified.
13. All expenses have been properly classified in or allocated to functions and programs in the statement of activities, and allocations, if any, have been made on a reasonable basis.
14. Special items and extraordinary items have been properly classified and reported.
15. Deposit and investment risks have been properly and fully disclosed.
16. Capital assets, including infrastructure assets, are properly capitalized, reported, and if applicable, depreciated.
17. All required supplementary information is measured and presented within the prescribed guidelines.

#### **Information Provided**

18. We have provided you with:
  - a. Access to all information, of which we are aware that is relevant to the preparation and fair presentation of the financial statements of the various opinion units referred to above, such as records, documentation, meeting minutes, and other matters;
  - b. Additional information that you have requested from us for the purpose of the audit; and
  - c. Unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence.
19. All transactions have been recorded in the accounting records and are reflected in the financial statements.
20. We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
21. We have no knowledge of any fraud or suspected fraud that affects the entity and involves:
  - a. Management;

- b. Employees who have significant roles in internal control; or
  - c. Others where the fraud could have a material effect on the financial statements.
22. We have no knowledge of any instances, that have occurred or are likely to have occurred, of fraud and noncompliance with provisions of laws and regulations that have a material effect on the financial statements or other financial data significant to the audit objectives, and any other instances that warrant the attention of those charged with governance, whether communicated by employees, former employees, vendors (contractors), regulators, or others.
  23. We have no knowledge of any instances that have occurred or are likely to have occurred, of noncompliance with provisions of contracts and grant agreements that has a material effect on the determination of financial statement amounts or other financial data significant to the audit objectives.
  24. We have no knowledge of any instances that have occurred or are likely to have occurred of abuse that could be quantitatively or qualitatively material to the financial statements or other financial data significant to the audit objectives.
  25. We have a process to track the status of audit findings and recommendations.
  26. We have identified for you all previous audits, attestation engagements, and other studies related to the audit objectives and whether related recommendations have been implemented.
  27. We have provided views on your reported audit findings, conclusions, and recommendations, as well as our planned corrective actions, for the report.
  28. We are not aware of any pending or threatened litigation and claims whose effects should be considered when preparing the financial statements and we have not consulted legal counsel concerning litigation or claims.
  29. We have disclosed to you the identity of the entity's related parties and all the related party relationships and transactions of which we are aware.
  30. There have been no communications from regulatory agencies concerning noncompliance with or deficiencies in accounting, internal control, or financial reporting practices.
  31. The government has no plans or intentions that may materially affect the carrying value or classification of assets and liabilities.
  32. We have disclosed to you all guarantees, whether written or oral, under which the government is contingently liable.
  33. We have identified and disclosed to you the laws, regulations, and provisions of contracts and grant agreements that could have a direct and material effect on financial statement amounts, including legal and contractual provisions for reporting specific activities in separate funds.
  34. There are no:
    - a. Violations or possible violations of laws or regulations, or provisions of contracts or grant agreements whose effects should be considered for disclosure in the financial statements or as a basis for recording a loss contingency, including applicable budget laws and regulations.
    - b. Unasserted claims or assessments that our lawyer has advised are probable of assertion and must be disclosed in accordance with GASB Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*.
    - c. Other liabilities or gain or loss contingencies that are required to be accrued or disclosed by GASB Statement No. 62.
  35. The government has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset or future revenue been pledged as collateral, except as disclosed to you.
  36. We have complied with all aspects of grant agreements and other contractual agreements that would have a material effect on the financial statements in the event of noncompliance.

37. We have disclosed to you all significant estimates and material concentrations known to management that are required to be disclosed in accordance with GASB Statement No. 62. Significant estimates are estimates at the balance sheet date that could change materially within the next year. Concentrations refer to volumes of business, revenues, available sources of supply, or markets or geographic areas for which events could occur that would significantly disrupt normal finances within the next year.
38. We have conducted a comprehensive risk assessment and determined that no material concentrations or constraints are required to be disclosed in accordance with GASB Statement No. 102, *Certain Risk Disclosures*. These disclosures provide sufficient detail to enable users of financial statements to understand the nature of the circumstances disclosed and the government's vulnerability to the risk of a substantial impact associated with the concentration or constraint, if applicable.
39. We have evaluated the concentrations and constraints, including those that occur subsequent to the statement of net position date but before the financial statements are issued and have been properly disclosed in the financial statements as subsequent events, if any.

#### Required Supplementary Information

40. With respect to the required supplementary information accompanying the financial statements:
- We acknowledge our responsibility for the presentation of the required supplementary information in accordance with accounting principles generally accepted in the United States of America.
  - We believe the required supplementary information, including its form and content, is measured and fairly presented in accordance with accounting principles generally accepted in the United States of America.
  - The methods of measurement or presentation have not changed from those used in the prior period.
  - We believe the significant assumptions or interpretations underlying the measurement or presentation of the required supplementary information, and the basis for our assumptions and interpretations, are reasonable and appropriate in the circumstances.

Signed by:



FDA5320C1F3D45A...

Kristy Grestini, Director of Administration & Planning

Signed by:



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Erick Stewart, Board Chair

TRANSPORTATION  
AUTHORITY OF  
CALHOUN COUNTY



Year Ended  
September 30,  
2025

Financial  
Statements

**Rehmann**

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# TRANSPORTATION AUTHORITY OF CALHOUN COUNTY

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## INDEPENDENT AUDITORS' REPORT

March 16, 2026

Board of Directors  
Transportation Authority of Calhoun County  
Battle Creek, Michigan

### Report on the Audit of the Financial Statements

#### *Opinion*

We have audited the financial statements of the **Transportation Authority of Calhoun County** (the "Authority"), as of and for the year ended September 30, 2025, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of the Authority, as of September 30, 2025, and the changes in financial position and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### *Basis for Opinion*

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

#### *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 Authority'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.

### ***Independent Auditors' Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. 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 GAAS 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 GAAS and *Government Auditing Standards*, we:

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, no such opinion is expressed.
- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern for a reasonable period of time.

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

### ***Required Supplementary Information***

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

### ***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated March 16, 2026 on our consideration of the Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Authority'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 Authority's internal control over financial reporting and compliance.

*Rehmann Lobson LLC*

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## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

# TRANSPORTATION AUTHORITY OF CALHOUN COUNTY

## Management's Discussion and Analysis

As management of the Transportation Authority of Calhoun County (the "Authority"), we offer readers of the Authority's financial statements this narrative overview and analysis of the financial activities of the Authority for the fiscal year ended September 30, 2025. We encourage readers to consider the information presented here in conjunction with additional information that is furnished in the financial statements and notes.

### Financial Highlights

- The assets of the Authority exceeded its liabilities at the close of the most recent fiscal year by \$4,772,319 (net position). This full amount was unrestricted and may be used to meet the Authority's ongoing obligations to citizens and creditors.

### Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the Authority's basic financial statements. The basic financial statements are comprised of the statement of net position, the statement of revenues, expenses and change in fund net position, the statement of cash flows and the notes to the financial statements.

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

The *statement of revenues, expenses and change in fund net position* presents information showing how the Authority's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows.

The *statement of cash flows* presents information showing in greater detail how the Authority received and disbursed cash during the fiscal year.

The *notes to the financial statements* provide additional information that is essential to a full understanding of the data provided in the financial statements.

### Financial Analysis

As previously stated, net position may serve over time as a useful indicator of any entity's financial position. In the case of the Authority, net position was \$4,772,319 at the close of the most recent fiscal year. The following provides a summary of the Authority's net position at September 30. The Authority began operations during 2025 therefore no prior year information has been provided. See Note #1 for additional information.

	2025
Current assets	\$ 4,858,226
Other liabilities	<u>85,907</u>
Net position:	
Unrestricted	<u>\$ 4,772,319</u>

# TRANSPORTATION AUTHORITY OF CALHOUN COUNTY

## Management's Discussion and Analysis

A condensed summary of the Authority's changes in net position for the years ended September 30 is provided below:

	2025
Operating revenues	\$ -
Operating expenses	<u>380,752</u>
Net operating loss	(380,752)
Nonoperating revenues	<u>4,913,794</u>
Change in net position	4,533,042
Net position, beginning of year	<u>239,277</u>
<b>Net position, end of year</b>	<u><u>\$ 4,772,319</u></u>

The Authority's net position increased by \$4,533,042 during the fiscal year ended September 30, 2025.

Operating expenses were \$380,752 for the year end September 30, 2025 and mainly consisted of professional services, including legal services, marketing, and accounting services.

Nonoperating revenues were \$4,913,794 for the year end September 30, 2025 mainly consisting of property tax millage for the December 2024 winter tax collections.

### Economic Factors and Next Year's Budget and Rates

The Transportation Authority of Calhoun County (TACC) is primarily supported through a combination of federal and state funding, along with locally generated property tax revenue. While these funding sources have historically remained stable, future funding levels may be affected by broader economic conditions and legislative actions at the federal, state, and local levels.

TACC is particularly sensitive to legislative changes that could impact public transportation funding formulas or property tax structures, as these would have a direct effect on operating revenue. In November 2024, voters approved the TACC millage, authorizing a levy of 2.66 mills in property tax revenue for participating jurisdictions for a five-year period. This dedicated millage provides a stable local funding source; however, the millage must be renewed by voters at five-year intervals. The continuation of this revenue stream beyond the current authorization period is dependent upon future voter approval, and any statutory or economic changes affecting property tax collections or public transit appropriation could influence future financial stability.

Management continues to monitor legislative activity and economic trends that may affect funding streams and ultimately directly impact the services that we are able to provide to our communities.

### Requests for Information

This financial report is designed to provide our customers and creditors with a general overview of the Authority's finances and to demonstrate the Authority's accountability for the funds it receives. Anyone having questions regarding this report or desiring additional information may contact the Mallory Avis, Executive Director of Transportation Authority of Calhoun County at 339 W. Michigan Avenue | Battle Creek, MI 49037 | 269.966.3474 |

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## **BASIC FINANCIAL STATEMENTS**

# TRANSPORTATION AUTHORITY OF CALHOUN COUNTY

## Statement of Net Position

September 30, 2025

### Assets

Cash and cash equivalents	\$ 4,818,184
Taxes receivable	14,192
Prepays	<u>25,850</u>

### Total assets (all current)

4,858,226

### Liabilities

Accounts payable	<u>85,907</u>
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### Net position

Unrestricted	<u><u>\$ 4,772,319</u></u>
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The accompanying notes are an integral part of these financial statements.

# TRANSPORTATION AUTHORITY OF CALHOUN COUNTY

## Statement of Revenues, Expenses and Change in Fund Net Position

For the Year Ended September 30, 2025

<b>Operating expenses</b>	
Services	\$ 374,784
Insurance	1,727
Miscellaneous	3,966
Short-term rentals	<u>275</u>
<b>Total expenses (operating loss)</b>	<u>380,752</u>
<b>Nonoperating revenues</b>	
Property taxes	4,781,189
Interest income	<u>132,605</u>
<b>Total nonoperating revenues</b>	<u>4,913,794</u>
<b>Change in net position</b>	4,533,042
Net position, beginning of year	<u>239,277</u>
<b>Net position, end of year</b>	<u><u>\$ 4,772,319</u></u>

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

# TRANSPORTATION AUTHORITY OF CALHOUN COUNTY

## Statement of Cash Flows

For the Year Ended September 30, 2025

<b>Cash flows from operating activities</b>	
Cash payments to suppliers	\$ (334,887)
<b>Cash flows from noncapital financing activities</b>	
Property taxes collected	4,781,189
<b>Cash flows from investing activities</b>	
Interest income received	<u>132,605</u>
<b>Net increase in cash and investments</b>	4,578,907
Cash and cash equivalents, beginning of year	<u>239,277</u>
<b>Cash and cash equivalents, end of year</b>	<u><u>\$ 4,818,184</u></u>
<b>Reconciliation of operating loss to net cash used in operating activities:</b>	
Operating loss	\$ (380,752)
Adjustments to reconcile operating loss to net cash used in operating activities:	
Changes in operating assets and liabilities that provided (used) cash:	
Taxes receivable	(14,192)
Prepays	(25,850)
Accounts payable	<u>85,907</u>
<b>Net cash used in operating activities</b>	<u><u>\$ (334,887)</u></u>

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

## **NOTES TO FINANCIAL STATEMENTS**

# TRANSPORTATION AUTHORITY OF CALHOUN COUNTY

## Notes to Financial Statements

### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Transportation Authority of Calhoun County (the "Authority") have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The more significant of the Authority's accounting policies are described below.

#### **Reporting Entity**

The Transportation Authority of Calhoun County (TACC), operating as Ride Calhoun, was created to improve mobility for all Calhoun County residents and to provide accessible transportation for all residents in Albion, Battle Creek, Marshall, and Springfield. With the passing of a recent millage, the Authority was established in July 2024 under the applicable laws of the State of Michigan Public Act 196, as amended, to close those gaps and build a stronger, more connected community. Public Act 196, known as the "Public Transportation Authority Act," authorizes the formation of public transportation authorities with certain powers and duties as separate and distinct political subdivisions within the State of Michigan. The Authority is an independent organization—it is not part of the city or county government. Oversight comes from a dedicated seven-member Board of Directors, who guide the agency's mission, operations, and accountability to the community.

Prior to the formation of the Authority, public transportation services were provided to the residents of Calhoun County by the City of Battle Creek. To facilitate the transition of providing transportation for the residents of Calhoun County, vehicles and other related equipment purchased by the City with federal and state assistance will be transferred to the Authority in fiscal year 2026.

In 2026, the Authority will be eligible to receive federal and state financial assistance in the form of operating and capital grant funding to support its operations, expanded marketing, and specialized services, and replace buses and other equipment. The Authority provides demand-response public transportation services within Calhoun County.

#### ***Measurement Focus, Basis of Accounting, and Financial Statement Presentation***

The Authority uses a single enterprise fund (a proprietary fund type) to account for and report its financial activities, which are limited to business-type activities – i.e., activities that are financed in whole or in part by fees charged to external parties and are operated in a manner similar to private business where the determination of revenues earned, costs incurred and/or net income is necessary for management accountability. The financial statements are presented using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Authority will relate to charges for services for passenger fares as well as funds provided by federal and state grants. Operating expenses for the Authority will include the personnel cost, maintenance, administrative expenses, and depreciation/amortization on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses. There were no operating revenues for the Authority in fiscal year 2025.

# TRANSPORTATION AUTHORITY OF CALHOUN COUNTY

## Notes to Financial Statements

Property taxes and interest associated with the current fiscal period are all considered to be susceptible to accrual and as such have been recognized as revenues of the current fiscal period.

Restricted net position consists of assets that are subject to restrictions beyond the Authority's control. The restrictions may be externally imposed or imposed by law. When both restricted and unrestricted resources are available for use, it is the Authority's policy to use restricted resources first, then unrestricted resources as they are needed. The Authority did not have any restricted net position at year end.

### **Assets, Liabilities, and Equity**

#### ***Cash and Cash Equivalents***

Cash and cash equivalents include cash on hand and demand deposit accounts. State statutes authorize the Authority to deposit in the accounts of federally insured banks, credit unions and savings and loan associations and to invest in obligations of the United States, certain commercial papers, repurchase agreements and banker acceptances.

#### ***Receivables***

Receivables consist of all revenues earned at year-end but not yet received.

#### ***Prepays***

The Authority made certain payments to vendors prior to year-end for services that will be performed in the next fiscal year. In these situations, the Authority records an asset to reflect the investment in future services.

#### ***Property Taxes***

The Authority's property tax is levied in December on the taxable value of property located in the County as of the preceding December. The various municipalities collect and remit taxes until February 15, at which time the uncollected real property taxes are turned over to the County as delinquent. Real and personal property in the County for the current levy was assessed and equalized at approximately \$2.044 billion. For the year ended September 30, 2025, the Authority levied 2.6600 mills.

Delinquent real property taxes are collected by the County and remitted to the Authority in March. After that, any delinquent real property taxes remain outstanding until collected from the taxpayer by the County.

#### ***Use of Estimates***

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

# TRANSPORTATION AUTHORITY OF CALHOUN COUNTY

## Notes to Financial Statements

### 2. CASH AND INVESTMENTS

The cash and investments are classified as follows at September 30, 2025:

**Statement of Net Position**

Cash and cash equivalents	<u>\$ 4,818,184</u>
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**Deposits and investments**

Checking and savings accounts	<u>\$ 4,818,184</u>
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*Custodial Credit Risk - Deposits.* Custodial credit risk is the risk that, in the event of a bank failure, the Authority's deposits might not be returned. State law does not require and the Authority's investment policy does not have specific limits in excess of state law pertaining to custodial credit risk. As of September 30, 2025, \$4,596,384 of the Authority's bank balance of \$4,846,384 was exposed to custodial credit risk because it was uninsured and uncollateralized.

### 3. RELATED PARTY TRANSACTIONS

The Authority has identified a certain organization as a related party in accordance with accounting principles generally accepted in the United States of America. Related parties include members of the governing body, key management personnel, and entities in which such individuals have the ability to exercise significant influence. During the fiscal year ended September 30, 2025, the Authority entered into transactions with the City of Battle Creek in the normal course of operations. These transactions primarily consisted of the City providing the staffing to establish the Authority.



## **INTERNAL COMPLIANCE AND CONTROL**

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

March 16, 2026

Board of Directors  
Transportation Authority of Calhoun County  
Battle Creek, Michigan

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, the financial statements of the Transportation Authority of Calhoun County (the "Authority"), as of and for the year ended September 30, 2025, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements, and have issued our report thereon dated March 16, 2026.

### **Report on Internal Control Over Financial Reporting**

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

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

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



## **Report on Compliance and Other Matters**

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

## **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Authority'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.

*Rehmann Lobson LLC*

**TRANSPORTATION AUTHORITY OF CALHOUN COUNTY  
BOARD OF DIRECTORS**

**Resolution 10-2026**

At the regular Board of Directors meeting of the Transportation Authority of Calhoun County (TACC), held at Ride Calhoun Administrative Offices, located at 49 South Cass St., Battle Creek, MI 49037, on Wednesday, March 25, 2026, with Board Chair Erick Stewart presiding, the following action was taken:

**Whereas**, The Transportation Authority of Calhoun County (“TACC”) has a responsibility to procure professional services in affair, competitive, and transparent manner, consistent with applicable procurement requirements and best practices; and

**Whereas**, TACC issued a Request for Proposals (RFP) for employee benefits brokerage and related services in order to secure qualified professional support for the administration and management of its employee benefits programs; and

**Whereas**, proposals were evaluated in accordance with the criteria set forth in the RFP, and Walton Insurance was determined to be the highest-ranked and most qualified firm to provide employee benefits brokerage services; and

**Whereas**, Walton Insurance demonstrated the experience, capacity, and expertise necessary to support TACC’s employee benefits program and to provide ongoing brokerage, consulting, and service support; and

**Whereas**, the proposed contract term is for a period of three (3) years, with the option for two (2) one-year renewals, and includes compensation and services consistent with the RFP and negotiated agreement;

**Now, Therefore, be it resolved**, that the Transportation Authority of Calhoun County hereby authorizes the Executive Director to execute a service agreement with Walton Insurance for employee benefits brokerage services, in a form substantially consistent with the terms presented in the Proposal; and

**Be it further resolved**, that the Executive Director is authorized to execute any related documents, amendments, or renewals, and to take all actions necessary to implement and administer the contract, consistent with the Authority’s procurement policies and applicable federal, state, and local requirements.

**CERTIFICATE**

I, Vivian Davis, Secretary of the Transportation Authority of Calhoun County, having custody of the records and proceedings of the Transportation Authority of Calhoun County at the meeting of March 25, 2026, with the original minutes now on file and of record in the office that this resolution is true and correct.

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Printed Name

\_\_\_\_\_  
Title

\_\_\_\_\_  
Date



March 2, 2026

Board of Directors  
Transportation Authority of Calhoun County  
49 South Cass Street  
Battle Creek, Michigan 49037

Re: RFP #02-2026 – Insurance Brokerage Services (Property & Casualty and Employee Benefits)

Dear Members of the Board,

Walton Insurance Group is pleased to submit our proposal to provide Property & Casualty and Employee Benefits brokerage and consulting services to the **Transportation Authority of Calhoun County (TACC)**.

We acknowledge that this renewal cycle is more than a routine placement. With the transition of employees and assets to TACC on July 1, 2026, fleet growth plans, and continued oversight from FTA and MDOT funding requirements, clarity and confidence in both your commercial insurance and benefits programs are essential. Our approach is built specifically around providing clarity through advanced preparation, disciplined timelines, and confidence through measurable service commitments.

I would like to start first by providing some company history and background - Walton Insurance Group was established in Jackson, MI, by Lee Walton in 1951. The three-person agency initially focused on personal lines, such as homeowners and personal auto insurance, and flourished over the next two decades. In the early 1970s, Ric Walton joined his father's organization after graduating from Western Michigan University's insurance program and gaining experience as a commercial underwriter with USF&G. In the years that followed, Walton Insurance Group expanded into commercial insurance and developed a strong reputation for expertise in property, casualty, and employee benefit programs.

In March 2023, Walton joined Keystone Agency Partners (KAP), a platform of like-minded insurance professionals. This partnership preserves local ownership and independence while providing access to shared services and resources across the KAP network.

Walton's **Property & Casualty** strategy begins with a structured, face-to-face renewal planning meeting supported by a written agenda and documented follow-up. We believe advanced preparation drives results. Our process includes a comprehensive review of your existing program and exposure profile, claims analysis, insurance carrier performance evaluation, and a current market conditions assessment. We then jointly establish renewal objectives and a documented marketing timeline. Every commitment is formalized through our Written Service Timeline, holding all parties accountable throughout the policy year.

Our proactive approach does not end at renewal. We conduct scheduled check-ins, loss control reviews, open reserve evaluations, and on-site strategy meetings with carrier representatives and organizational leadership. Active management of markets, payroll tracking, revenue projections, and vehicle schedule updates results in improved cash flow planning, long-term premium stability, and measurable reduction in total cost of risk. Our team advocates directly on your behalf, ensuring reserves, closures, and potential exposures are actively managed.



On the **Employee Benefits** side, Walton's focus is long-term sustainability. We design programs that balance predictable budgeting with thoughtful plan design while recognizing the importance of benefits in employee recruitment, retention, satisfaction, and bargaining agreements. We bring both custom in-house solutions and carefully vetted partnerships to deliver modern, transparent resources for employer-sponsored benefit programs.

Our benefits administration process is supported by our internally managed Employee Navigator platform, which we build on behalf of our clients at no cost. With dedicated team members assigned exclusively to benefits administration and eligibility management, we ensure accurate EDI/API integrations with carriers and active oversight of enrollment, reporting, and employee updates. Importantly, our Benefits Coordinators and Claims Examiners provide direct claims advocacy for your employees — working between providers and carriers to resolve complex issues. This high-touch model reduces the administrative burden on HR and delivers meaningful employee support.

Compliance is integrated into our service model. From ERISA plan documentation and ACA reporting to Section 125 administration, Form 5500 filings, and PA 152 guidance, our team ensures TACC remains current and compliant in a highly regulated environment. Our SHRM-certified HR & Compliance Advisor and ERISA legal resources further strengthen that support structure.

At Walton, we do not operate through anonymous help desks. TACC will have direct access to dedicated team members supported by internal depth and redundancy. Our model is relationship-driven, performance-measured, and transparent.

We appreciate the opportunity to present our approach and demonstrate how the Walton Difference can support TACC during this important transition and well into the future.

Respectfully submitted,

A handwritten signature in black ink that reads 'Ethan Harris'.

Ethan Harris  
Vice President | Account Executive  
Direct: 517-796-6225  
Cell: 517-740-7832  
eharris@waltoninsurancegroup.com

**TRANSPORTATION AUTHORITY OF CALHOUN COUNTY  
BOARD OF DIRECTORS**

**Resolution 11-2026**

At the regular Board of Directors meeting of the Transportation Authority of Calhoun County (TACC), held at Ride Calhoun Administrative Offices, located at 49 South Cass St., Battle Creek, MI 49037, on Wednesday, March 25, 2026, with Board Chair Erick Stewart presiding, the following action was taken:

**Whereas**, The Transportation Authority of Calhoun County (“TACC”) has a responsibility to procure professional services in affair, competitive, and transparent manner, consistent with applicable procurement requirements and best practices; and

**Whereas**, TACC issued a Request for Proposals (RFP) for property and casualty insurance brokerage and related services to ensure appropriate risk management coverage and professional support; and

**Whereas**, proposals were evaluated in accordance with the criteria set forth in the RFP, and Worgess Insurance was determined to be the highest-ranked and most qualified firm to provide property and casualty insurance brokerage services; and

**Whereas**, Worgess Insurance demonstrated the experience, capacity, and expertise necessary to support TACC’s risk management, insurance placement, and ongoing service needs; and

**Whereas**, the proposed contract term is for a period of three (3) years, with the option for two (2) one-year renewals, and includes compensation and services consistent with the RFP and negotiated agreement;

**Now, Therefore, be it resolved**, that the Transportation Authority of Calhoun County hereby authorizes the Executive Director to execute a service agreement with Worgess Insurance for property and casualty insurance brokerage and related services, in a form substantially consistent with the terms presented in the Proposal; and

**Be it further resolved**, that the Executive Director is authorized to execute any related documents, amendments, or renewals, and to take all actions necessary to implement and administer the contract, consistent with the Authority’s procurement policies and applicable federal, state, and local requirements.

**CERTIFICATE**

I, Vivian Davis, Secretary of the Transportation Authority of Calhoun County, having custody of the records and proceedings of the Transportation Authority of Calhoun County at the meeting of March 25, 2026, with the original minutes now on file and of record in the office that this resolution is true and correct.

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Printed Name

\_\_\_\_\_  
Title

\_\_\_\_\_  
Date



*Let Worgess Do Your Worrying*

Two West Michigan | Battle Creek MI 49017  
P (269) 965-3221 | F (269) 965-8853

350 E Michigan Ave | Kalamazoo MI 49007  
P (269) 488-3221 | [www.worgess.com](http://www.worgess.com)

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February 20, 2026

Transportation Authority of Calhoun County  
dba Ride Calhoun  
339 W Michigan Ave  
Battle Creek, MI 49037

Re: Proposal for Property & Casualty Insurance Services

To the TACC RFP Evaluation Committee:

Worgess Insurance & Financial Services is pleased to submit our proposal to provide property and casualty insurance and consulting services to the Transportation Authority of Calhoun County (Ride Calhoun). We welcome the opportunity to expand our existing relationship with TACC and to support your mission of improving mobility for all residents of Calhoun County.

Worgess is an independent, privately held insurance agency headquartered in downtown Battle Creek, Michigan, with a second office in Kalamazoo. Our Battle Creek office is located at:

Worgess Insurance & Financial Services  
2 W Michigan Ave, Suite 100  
Battle Creek, MI 49017  
Phone: (269) 965-3221

The Worgess Insurance Agency was founded in 1921 and has served Southwest Michigan families, businesses, and organizations for more than 100 years. We are a multi-generation, family-owned corporation (Worgess Agency, Inc.) with deep local roots and a long history of focusing on property and casualty programs for our community. Today we operate as a privately held independent agency with a staff of 14 employees, including almost a dozen of which are specific to property and casualty insurance.

Our organization structure combines local ownership and leadership with specialized practice teams. The agency is owned and led by members of the Worgess family's fourth generations, including President Jake Worgess and Vice President Drew Worgess, who oversee the firm's strategic direction and non-profit/public entity practice. Day-to-day service and technical work for TACC will be handled by a dedicated team that includes:



Let Worgess Do Your Worrying

- Our senior risk management advisor, Kyle Labrecque, CIC, CAWC, CPIA would continue to be responsible for overall strategy, placement, and risk management services for TACC.
- Senior commercial lines account management and claims support (such as Jackie Wiseley, CIC, CISR, and Kim Smith, CPIA) are responsible for policy administration, certificates, endorsements, and claims coordination.

This local leadership and team-based structure allow us to be highly accessible while bringing specialized expertise to each engagement.

Worgess offers a full range of broker/consulting services, including property and casualty, workers' compensation, and cyber liability, supported by a property and casualty premium volume more than \$22 million and a client base of more than 350 organizations in Michigan and across the United States. We are licensed in 27 states, provide comprehensive access to leading insurance markets, and work predominantly with A to A ++ rated carriers, subscribing to A.M. Best and Standard & Poor's rating services to monitor carrier financial strength and performance. Our market access is further enhanced through national affiliations such as the MarshBerry FirstChoice carrier access platform and Zywave, which support program design, benchmarking, and client communication.

Several qualifications and organizational capabilities establish Worgess as a strong and satisfactory proposer for this contract:

- Extensive experience with non-profit, transportation, and human service organizations, giving us a detailed understanding of operational challenges and risk profiles like TACC's.
- A diverse and experienced property and casualty team with advanced designations, including Certified Insurance Counselor (CIC), Certified Authority on Workers' Compensation (CAWC), and CPIA, which reflect deep technical knowledge and commitment to ongoing professional development.
- Robust risk management resources, including strategic planning, loss control diagnosis, data analysis, loss forecasting, and custom loss control solutions designed to reduce the total cost of risk over time.
- Advanced claims management capabilities, built around claims cost-containment strategies, formal claim review meetings, advocacy support, and 24-hour emergency claim reporting, all aimed at minimizing downtime and overall claim expense.
- Comprehensive loss control and safety support, including a structured Loss Control Evaluator, customized employee safety materials, OSHA compliance resources, and targeted initiatives to reduce employee injuries, insurance costs, and risk.
- Leading-edge technology, such as our Client Center and online risk management portal, offering 24/7 claim reporting, OSHA reporting tools, workers' compensation statute



resources, peer community access, and hundreds of P&C documents to support TACC's internal risk management efforts.

- Demonstrated ability to complete sophisticated client benchmarking reports using data points from thousands of comparable operations, which we will use to inform TACC's coverage recommendations and measure performance against peers.
- A structured, five-step Risk Management Action Plan—planning, presentation to marketplace, market analysis, implementation, and ongoing maintenance/strategic planning—that provides a clear framework for designing, placing, and maintaining TACC's insurance program.

We also bring a strong record of community involvement and support for local non-profit and civic organizations such as the Battle Creek Community Foundation, South Michigan Food Bank, Sherman Lake YMCA, United Way of Southwest Michigan, YWCA of Kalamazoo, Haven of Rest Ministries, the Calhoun County Visitors Bureau, and the Gilmore Car Museum, underscoring our commitment to the same communities TACC serves.

Above all, Worgess is an independent agency “with the customer in mind,” dedicated to exceeding expectations and viewing insurance as a tool to protect people, organizations, and communities. We believe our combination of deep local presence, long-standing history, specialized technical expertise, strong carrier relationships, and robust service infrastructure positions us to deliver the level of professional service, responsiveness, and strategic guidance that TACC requires from its insurance producer.

Thank you for considering our proposal. We look forward to the opportunity to discuss our qualifications further and to answer any questions you may have. Please feel free to contact us (269) 965-3221 with any questions or to request additional information.

Sincerely,



Jake Worgess, CIC, CAWC, CyRM  
President  
Worgess Insurance & Financial Services  
2 W. Michigan Ave, Suite 100  
Battle Creek, MI 49017  
(269) 965-3221  
Jake@worgess.com

**TRANSPORTATION AUTHORITY OF CALHOUN COUNTY  
BOARD OF DIRECTORS**

**Resolution 12-2026**

At the regular Board of Directors meeting of the Transportation Authority of Calhoun County (TACC), held at Ride Calhoun Administrative Offices, located at 49 South Cass St., Battle Creek, MI 49037, on Wednesday, March 25, 2026, with Board Chair Erick Stewart presiding, the following action was taken:

**Whereas**, The Transportation Authority of Calhoun County (“TACC”) must maintain accurate financial records, safeguarding public funds, and ensuring strong internal controls; and

**Whereas**, timely and independent reconciliation of all bank accounts is a critical component of sound financial management and fraud prevention; and

**Whereas**, the establishment of a formal Bank Reconciliation Policy provides standardized procedures for the regular reconciliation of financial accounts, identification and resolution of discrepancies, documentation of reconciling items, and appropriate review and oversight; and

**Whereas**, the Bank Reconciliation Policy reinforces segregation of duties, supports audit readiness, and ensures compliance with applicable federal, state, and local requirements, including those associated with grant funding;

**Now, Therefore, be it resolved**, that the Transportation Authority of Calhoun County hereby adopts Version 1.0 of the Bank Reconciliation Policy, effective upon approval; and

**Be it further resolved**, that the Executive Director is authorized to implement and administer the policy including establishing reconciliation timelines and review procedures, and to make administrative updates as necessary to ensure continued compliance, provided that any substantive changes shall be brought before the Board for approval.

**CERTIFICATE**

I, Vivian Davis, Secretary of the Transportation Authority of Calhoun County, having custody of the records and proceedings of the Transportation Authority of Calhoun County at the meeting of March 25, 2026, with the original minutes now on file and of record in the office that this resolution is true and correct.

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Printed Name

\_\_\_\_\_  
Title

\_\_\_\_\_  
Date

# Transportation Authority of Calhoun County

<b>Policy Title:</b>	<b>Bank Reconciliation Policy</b>
<b>Policy Number:</b>	<b>Fin-010</b>
<b>Effective Date:</b>	<b>03/25/2026</b>
<b>Board Approved Date:</b>	<b>03/25/2026</b>
<b>Last Review Date:</b>	<b>03/25/2026</b>
<b>Supersedes:</b>	<b>N/A</b>
<b>Version Number:</b>	<b>1.0</b>

## **Bank Reconciliation Policy**

The purpose of this policy is to establish a formal process for the completion, review, and approval of bank reconciliations to ensure compliance with applicable laws, regulations, and governance requirements, and to provide appropriate oversight by the governing board while allowing efficient administration by management.

### **1.0 General**

It is the policy of the Transportation Authority of Calhoun County ["TACC"] that all incoming or outgoing funds to TACC's bank accounts be recorded in the general ledger on a timely basis. Frequent completion of bank reconciliations is essential to promote strong internal controls, which may prevent fraud, assure transactions are recorded properly, and assure TACC's funds are handled with appropriate fiscal and fiduciary responsibility.

Bank account reconciliations are a key component of good controls over cash and should be done in a timely manner. Reconciling the bank statement balance with the book balance (general ledger) is necessary to determine that (1) all receipts and disbursements are recorded (an essential process in assuring complete and accurate monthly financial statements); (2) checks are clearing the bank in a reasonable time; (3) reconciling items are appropriate and are being recorded; and (4) the reconciled cash balance agrees to the general ledger cash balance.

This policy applies to all bank accounts held by TACC.

### **2.0 Definitions**

- a. **Bank Statement:** A paper or electronic record of all financial activity for a period of time provided by each bank.

- b. *General Ledger:*** The main accounting book of record of TACC, which includes accounts for assets, liabilities, revenues, expenditures/expenses, and transfers. TACC's general ledger is where "actual" transactions are posted to the official book of record. The balance for each cash account is reflected in the general ledger in the asset section of the statement of net position.
- c. *Reconciling Item:*** Any activity on either the bank statement or the general ledger, but not recorded in the other. Examples include:

  - i. *Bank not Book*** – this is an unmatched bank line that represents a deposit/withdrawal that appears on the bank statement, but not on the general ledger.
  - ii. *Book not Bank*** – this is an unmatched book line that represents a deposit/withdrawal on the general ledger, but not on the bank statement.
- d. *Bank account reconciliation:*** Process of confirming that the bank statement is valid and accurate, that transactions are reflected properly in the general ledger account, and that the ending balance on the general ledger account is accurate. Any differences should be identified, reconciling items investigated, and balances adjusted timely and appropriately.
- e. *Bank account reconciliation report:*** A report generated directly from the accounting system that reflects the bank balance, book balance, and reconciling items. This report summarizes how the bank balance reconciles to the book balance in the general ledger by listing all reconciling items applicable.

### **3.0 Policy/Procedures**

TACC will reconcile each bank account on a monthly basis and no later than 30 days after the end of the following month the reconciliation is to be performed on (i.e., the March reconciliations would be completed by April 30).

The Director of Admin & Planning will obtain a copy of the monthly bank statement, which will be reviewed and compared to the general ledger. If there are any reconciling items, the Director of Admin & Planning will review them for reasonableness. Any reconciling items (excluding outstanding issued physical checks) should be resolved/cleared within 120 days of the reconciled month. Any reconciling items outstanding greater than 120 days (excluding outstanding issued physical checks) will be adjusted through applicable general

ledger accounts to allow them to no longer be reflected on the bank reconciliation, unless there is justification to allow the item to remain on the reconciliation.

Outstanding issued physical checks will be reviewed during the annual escheatment process in which all checks that have been outstanding for a period greater than 3 years will be submitted to the State of Michigan as part of the annual Unclaimed Property Return. During this process, these applicable outstanding checks will be resolved/cleared from the bank reconciliation.

The Director of Admin & Planning will sign their initials and date the reconciliation report once it is completed and ready for review, at which point it will be provided to the Executive Director. The Executive Director will review the bank statement and the bank reconciliation report and sign off with their initials indicating the reconciliation is approved. These signatures are considered confirmation that current procedures were followed and that the reconciliation accurately presents the status of the account at the bank as well as on the general ledger.

The bank statement, bank reconciliation report, and any applicable supporting documentation will be stored in the finance office. All copies will be maintained in accordance with record retention guidelines as prescribed by the State of Michigan and will be made available to the appropriate individuals upon request.

#### **4.0 Oversight Authority**

Oversight authority for bank reconciliations is the responsibility of the Executive Director as ultimately directed by the Governing Board.

#### **5.0 Policy Review**

This policy shall be reviewed periodically by the Governing Board and updated as necessary to remain compliant with statutory and operational requirements.

**TRANSPORTATION AUTHORITY OF CALHOUN COUNTY  
BOARD OF DIRECTORS**

**Resolution 13-2026**

At the regular Board of Directors meeting of the Transportation Authority of Calhoun County (TACC), held at Ride Calhoun Administrative Offices, located at 49 South Cass St., Battle Creek, MI 49037, on Wednesday, March 25, 2026, with Board Chair Erick Stewart presiding, the following action was taken:

**Whereas**, The Transportation Authority of Calhoun County (“TACC”) must maintain strong financial management practices, internal controls, and accountability in the use of public funds; and

**Whereas**, the establishment of a formal Accounts Payable (AP) Policy is necessary to ensure consistent, accurate, and timely processing of invoices, payments, and financial obligations; and

**Whereas**, the Accounts Payable Policy establishes procedures for invoice review and approval, payment authorization, documentation requirements, segregation of duties, and compliance with applicable federal, state, and local regulations; and

**Whereas**, adoption of this policy supports transparency, audit readiness, and alignment with best practices for public agencies and recipients of federal and state funding;

**Now, Therefore, be it resolved**, that the Transportation Authority of Calhoun County hereby adopts Version 1.0 of the Accounts Payable (AP) Policy, effective upon approval; and

**Be it further resolved**, that the Executive Director is authorized to implement and administer the policy and to make administrative updates as necessary to ensure continued compliance with applicable laws, regulations, and funding requirements, provided that any substantive changes shall be brought before the Board for approval.

**CERTIFICATE**

I, Vivian Davis, Secretary of the Transportation Authority of Calhoun County, having custody of the records and proceedings of the Transportation Authority of Calhoun County at the meeting of March 25, 2026, with the original minutes now on file and of record in the office that this resolution is true and correct.

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Printed Name

\_\_\_\_\_  
Title

\_\_\_\_\_  
Date

# Transportation Authority of Calhoun County (TACC)

<b>Policy Title:</b>	<b>Accounts Payable and Disbursements Policy</b>
<b>Policy Number:</b>	<b>Fin-011</b>
<b>Effective Date:</b>	<b>03/25/2026</b>
<b>Board Approved Date:</b>	<b>03/25/2026</b>
<b>Last Review Date:</b>	<b>03/25/2026</b>
<b>Supersedes:</b>	<b>N/A</b>
<b>Version Number:</b>	<b>1.0</b>

## **Purpose**

This policy sets the required controls for invoice approval, and disbursement of public funds to ensure every payment is lawful, supported, accurate, timely, properly authorized and consistent with the adopted budget.

### **1.0      Scope**

This policy applies to all applicable payments, including checks, ACH, wires, credit cards, purchasing cards, reimbursements, payroll related payments, and grant funded costs.

### **2.0      General Standards**

All disbursements must:

- Serve a legitimate public purpose.
- Be within the adopted budget or otherwise authorized by the Board.
- Comply with applicable contracts, grant agreements, and laws.
- Be supported by adequate documentation.
- Be properly reviewed and approved before payment, unless expressly authorized under the pre-approval provisions of this policy.
- No payment shall be made without documentation and appropriate approval.

### **3.0      Roles and Responsibilities**

- a. Board: The Board approves claims prior to payment unless otherwise authorized under this policy. The Board may authorize limited pre-approval

payments for defined categories. The Board retains ultimate oversight responsibility.

- b. Finance Director/Director of Administration and Planning: The Finance Director (Director of Administration and Planning) administers this policy and is responsible for accounts payable processing, internal controls, verification of claims, preparation of claims reports, and initiation of electronic payments.
- c. Department Heads: Department heads are responsible for verifying receipt of goods or services, confirming budget availability, and approving invoices before submission to Finance.

#### **4.0 Processing of Claims**

Requests for payments to vendors shall be documented in writing by a vendor invoice or, in the few instances where no invoice is forthcoming, by a written request by the department head requesting payment. Appropriate documentation (supporting invoices) shall be attached for all disbursements. Invoices shall be promptly logged into the accounting system and approved by the finance office prior to processing payment.

Employee expense reimbursements shall be documented on an expense report prepared by the employee.

All invoices, departmental check requests and expense vouchers shall include the following:

- Vendor name
- Invoice number and date
- Description and purpose of expenditure
- Purchase order reference (if applicable)
  - Finance shall perform a match between purchase order, evidence of receipt and vendor invoice
- Unit price and units delivered (if applicable)
- Date goods delivered or services rendered

All requests for payments shall be approved by the department to which the expense shall be posted by initialing the document or electronically approved in the finance system.

All requests for payment shall be submitted to the Finance Director at least five (5) days prior to the board meeting at which claims will be approved.

The Finance Director or their designee shall verify the payee, amount, purpose and the disbursing fund of each request.

Any discrepancies in documentation, pricing, quantity, or authorization must be resolved prior to payment.

## **5.0 Claims Review and Board Approval**

The Finance Director shall prepare an AP Report for each Board meeting. The report shall include:

- Vendor name
- Invoice number
- Description
- Account charged
- Amount
- Payment method

Supporting documentation shall be available for Board review.

All claims require Board approval prior to payment except those authorized under Section 7 of this policy. Any items paid prior to board approval shall be noted on the AP report or on a separate report.

Board approval may occur through a consent agenda.

## **6.0 Pre-approval Payments Authorized**

To avoid penalties, service interruption, payroll delay, or statutory noncompliance, the following payments may be made prior to Board approval:

- Payroll and payroll taxes (consistent with contract or board approved pay rates)
- Retirement and employee benefit contributions
- Debt service payments
- Utility and telecommunications services
- Insurance premiums
- Court-ordered or statutory remittances
- Grant-related payments requiring immediate processing
- Invoices with documented late penalties
- Emergency expenditures authorized under Section 12

All such payments must:

- Be within the adopted budget.
- Be properly documented.
- Be presented on the next AP report to the board to be approved at the next board meeting

## **7.0 Check Controls**

Checks shall be generated directly from the approved accounting system. Manual or hand-written checks are discouraged and may be issued only in documented emergency circumstances.

Pre-numbered check stock shall be secured under controlled access. Access to blank check stock shall be limited to authorized finance personnel.

Checks shall not be signed in blank. Authorized signers may execute checks for processing purposes after verifying the accuracy of the system-generated check register. Checks shall not be distributed, mailed, or otherwise released until approved by the Board through formal action or authorized pre-approval procedures.

The system-generated check register shall serve as the official record of disbursements issued.

Voided checks shall be clearly marked void, retained, and recorded in the accounting system to preserve numerical sequence.

Checks shall not be returned to departments for distribution. All checks shall be mailed or otherwise distributed directly by the Finance Department.

TACC shall utilize bank fraud prevention tools, including positive pay or similar services, where available.

## **8.0 Authorized Signers**

The Board shall designate authorized check signers by resolution.

Electronic signatures may be used only within the approved accounting or banking system and must include unique user credentials. Signature images stored outside secure systems are prohibited.

Signature stamps, if used, shall be physically secured and access restricted to authorized personnel. Use of a signature stamp shall require documented authorization and segregation of duties. Periodic review of authorized signers and system access rights

shall be performed at least annually.

#### **9.0 Electronic Payments (ACH and Wire Transfers)**

Electronic payments, including ACH and wire transfers, are authorized in accordance with TACC's Automated Clearing House (ACH) and Electronic Funds Transfer Policy (Fin-007), as adopted by the Board.

All electronic disbursements must comply with the authority, approval requirements, segregation of duties, dual authorization, vendor verification, reporting, reconciliation, and documentation standards established in that policy.

Electronic payments shall be included in the monthly AP report provided to the Board.

#### **10.0 Credit Card Transactions**

Credit card issuance, usage, internal controls, limitations, reconciliation, reporting, and disciplinary provisions are governed by TACC's Credit Card Policy (FIN-002) adopted pursuant to Public Act 266 of 1995, as amended.

All credit card expenditures shall:

- Be included in the monthly report presented to the Board.
- Be supported by documentation as required under the Credit Card Policy.
- Be paid only after reconciliation and approval in accordance with that policy.

#### **11.0 Emergency Expenditures**

Emergency expenditures necessary to protect life, safety, property, or critical operations may be authorized by the Executive Director or if not available the Board Chair when immediate action is required.

Such expenditures must:

- Be documented in writing
- Describe the emergency
- Identify vendor and cost
- Explain why normal procedures were not followed
- Emergency payments shall be presented to the Board for approval at the next meeting.

#### **12.0 Vendor Setup and Maintenance**

All new vendors must provide a completed W-9 that matches IRS records and necessary identifying information.

No vendor shall be entered into the accounting system or paid until required documentation is received and reviewed. The Accounts Payable Clerk, or other designee as determined by the Director of Administration and Planning shall enter new vendors into the accounting system. The Director of Administration and Planning shall review and approve vendor setup prior to activation.

Changes to vendor address or banking information must:

- Be submitted in writing
- Be independently verified using a known or publicly sourced contact method
- Be approved by the Finance Director
- Be documented and retained

Vendor file access shall be restricted to authorized personnel.

### **13.0      Segregation of Duties**

To the extent practicable:

- Invoice approval shall be separate from payment preparation.
- To the extent possible, Payment preparation shall be handled by an individual different than the individual that prepares the bank reconciliation.
- Bank reconciliations shall be reviewed and approved by an individual independent of payment processing.
- Where staffing limitations exist, compensating controls such as enhanced Board review shall be implemented.

### **14.0      Records Retention**

All invoices, claims reports, ACH documentation, warrants, reconciliations, and supporting materials shall be retained in accordance with applicable state retention schedules and audit requirements.

### **15.0      Policy Review**

This policy shall be reviewed periodically by the Governing Board and updated as necessary to remain compliant with statutory and operational requirements.

**TRANSPORTATION AUTHORITY OF CALHOUN COUNTY  
BOARD OF DIRECTORS**

**Resolution 14-2026**

At the regular Board of Directors meeting of the Transportation Authority of Calhoun County (TACC), held at Ride Calhoun Administrative Offices, located at 49 South Cass St., Battle Creek, MI 49037, on Wednesday, March 25, 2026, with Board Chair Erick Stewart presiding, the following action was taken:

**Whereas**, The Transportation Authority of Calhoun County (“TACC”) is an eligible recipient of federal transit funding and participates in programs that support training, technical assistance, and the advancement of public transportation services; and

**Whereas**, the Michigan Public Transit Association (MPTA), acting as the designated agency for the administration of the Rural Transit Assistance Program (RTAP) in coordination with the Michigan Department of Transportation (MDOT), provides access to federal funding for eligible training activities, equipment, and technical assistance; and

**Whereas**, RTAP is funded through the Federal Transit Administration (FTA) and administered in accordance with applicable federal and state requirements, including FTA Circular C9041.1; and

**Whereas**, TACC is eligible to receive reimbursement for approved RTAP eligible expenses and has been allocated funding for Fiscal Year 2026 in an amount not to exceed \$5,500 to support training and related activities; and

**Whereas**, the agreement establishes the terms and conditions under which TACC will receive and administer RTAP funds, including compliance with applicable accounting, record-keeping, and reporting requirements; and

**Whereas**, the contract term extends through September 30, 2026, and supports ongoing workforce development and capacity-building efforts for rural transit services;

**Now, Therefore, be it resolved**, that the Transportation Authority of Calhoun County hereby authorizes the Executive Director to execute the RTAP Third-Party Agreement with the Michigan Public Transit Association (MPTA), in a form substantially consistent with the agreement presented to the Board; and

**Be it further resolved**, that the Executive Director is authorized to execute any related documents, reimbursement requests, or administrative actions necessary to implement and comply with the terms of the agreement and to ensure adherence to all applicable federal, state, and program requirements.

**CERTIFICATE**

I, Vivian Davis, Secretary of the Transportation Authority of Calhoun County, having custody of the records and proceedings of the Transportation Authority of Calhoun County at the meeting of March 25, 2026, with the original minutes now on file and of record in the office that this resolution is true and correct.

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Printed Name

\_\_\_\_\_  
Title

\_\_\_\_\_  
Date

**RURAL TRANSIT ASSISTANCE PROGRAM  
(RTAP)  
THIRD PARTY CONTRACT**

THIS AGREEMENT is made and entered into this by and between Michigan Public Transit Association (hereinafter referred to as the AGENCY), and Transportation Authority of Calhoun County referred to as the ELIGIBLE-RECIPIENT).

**SECTION 1 – DEFINITIONS**

PROGRAM	Means the Rural Transit Assistance Program designed primarily for rural transit agencies dispersal of funds for eligible training activities and equipment and/or technical assistance and research activities that promote or benefit rural public transportation.
DEPARTMENT	Means the Michigan Department of Transportation.
OFFICE	Means the Office of Passenger Transportation of Michigan Department of Transportation.
AGENCY	Means the eligible authority, eligible governmental agency, or organization representing the rural transit agencies interests which is receiving funds from the DEPARTMENT under the PROGRAM, (Michigan Public Transit Association).
PROJECT	Means the providing of funds from the Rural Transit Assistance Program (RTAP).
STATE	Means the State of Michigan.
ELIGIBLE-RECIPIENT	Means the organization which will receive funds under this contract.
APPLICATION	Means the AGENCY'S application, submitted in cooperation with the ELIGIBLE RECIPIENT, for funding from this PROGRAM for the period October 1, 2023 to September 30, 2026.

## SECTION 2 - PURPOSE

This Contract is made for the purpose of making federal Rural Transit Assistance Program (RTAP) grant funds available to the ELIGIBLE RECIPIENT for the costs of eligible training activities and equipment and/or technical assistance research activities that promote or benefit rural public transportation. Eligible recipients are rural agencies that receive Federal Transit Administration (FTA) Section 5310 or Section 5311 funds, hereinafter referred to as "ELIGIBLE RECIPIENT(S)." The ELIGIBLE RECIPIENT may only be reimbursed for the percentage of eligible expenses equivalent to the percentage of services for which the ELIGIBLE RECIPIENT receives Section 5310 or 5311 funds.

## SECTION 3 - FUNDING

The AGENCY agrees to disperse RTAP funds to all ELIGIBLE RECIPIENTS in accordance with FTA Circular C9041.1, incorporated herein by reference as if the same were repeated in full herein. The maximum amount of funding provided under this Contract for **Fiscal Year 2026** (October 1, 2025-September 30, 2026) is **\$5,500 (Five thousand five hundred dollars)** as determined by the Department.

**Remaining FY2026 funds will not be carried over.**

#### **SECTION 4 – ACCOUNTING AND RECORD-KEEPING**

The AGENCY, shall provide to the ELIGIBLE-RECIPIENT, the State funds designated for the eligible costs incurred in the performance of this contract within ten (10) working days of the receipt of said funds from the DEPARTMENT.

The ELIGIBLE-RECIPIENT shall maintain books, records, documents, and other accounting records in accordance with the general accepted governmental accounting principles. Said records shall be sufficient to properly reflect all costs of whatever nature claimed to have been incurred or anticipated to be incurred in the performance of the identified PROJECT. To facilitate the administration of the PROJECT, separate records shall be established and maintained. The ELIGIBLE-RECIPIENT shall assure that the records to support the expense(s) are established and maintained.

The ELIGIBLE-RECIPIENT is responsible to use the Request Forms (Attachment A) and Travel Vouchers (Attachment B). The ELIGIBLE-RECIPIENT shall review and follow all Travel Rates (Attachment C) and Guidelines (Attachment D) set forth by the DEPARTMENT.

Please visit <https://www.mptaonline.org/rtap-documents> for RTAP forms.

#### **SECTION 5 - MISCELLANEOUS PROVISIONS**

- (a) If any provision of this contract is held invalid, the remainder of this contract shall not be affected, if any such remainder continues to the provisions and requirements of applicable law.
- (b) The ELIGIBLE-RECIPIENT shall commence, carry on, and complete the PROJECT in accordance with all applicable laws. Nothing in this contract shall require the ELIGIBLE-RECIPIENT to observe, comply, or do any other things in contravention of any STATE, Local or Federal law.
- (c) None of the funds, materials, property, or services obtained by the AGENCY or the ELIGIBLE-RECIPIENT under this contract shall be used for any partisan political activity, or to further the election or defeat of any activity, or defeat of any candidate for public office.

#### **SECTION 6 - TERM OF CONTRACT**

Upon execution, this contract shall cover the period commencing October 1, 2023, and extending through September 30, 2026.

IN WITNESS WHEREOF, the parties hereto have cause for this Contract to be executed.

Michigan Public Transit Association

BY: \_\_\_\_\_  
Pink Cianciolo, Director

\_\_\_\_\_  
Agency

BY: \_\_\_\_\_  
Authorized Signature

\_\_\_\_\_  
Print Name