

**ALPENA COUNTY ROAD COMMISSION
ALPENA, MICHIGAN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 11 – POST EMPLOYMENT HEALTH CARE BENEFITS (Continued)

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

Years Ended	Amount
<u>December 31,</u>	<u>Recognized</u>
2025	\$ 9,764
2026	9,764
2027	8,112
2028	9,445
2029	-
Thereafter	-

Reconciliation of Net OPEB Liability

<u>Net OPEB Liability</u>		
Net OPEB Liability December 31, 2023	\$ 206,634	
Total OPEB expense	30,173	
Contributions	(69,769)	
Change in deferred outflows of resources	40,704	
Change in deferred inflows of resources	(1,183)	
Net OPEB Liability December 31, 2024	<u><u>\$ 206,559</u></u>	

Total OPEB Liability by Participant Status

<u>Total OPEB Liability</u>		
Active participants	\$ 206,634	
Inactive participants	30,173	
Retirees and beneficiaries	(1,183)	
Total OPEB Liability	<u><u>\$ 235,624</u></u>	

NOTE 12 – RISK MANAGEMENT

The Road Commission is a member of the Michigan County Road Commission Self-Insurance Pool (the “Pool”), established pursuant to the laws of the State, which authorizes contracts between municipal corporations (inter-local agreements) to form group self-insurance pools, and to prescribe conditions to the performance of these contracts. The Pool was established for the purpose of making a self-insurance pooling program available for Michigan County Road Commissions, which includes, but is not limited to, general liability coverages, auto liability coverages, property insurance coverages, stop-loss insurance protection, claims administration, and risk management and loss control services pursuant to Michigan Public Act 138 of 1982. The Road Commission pays an annual premium to the Pool for property (buildings and grounds) coverage, automobile liability, errors or omissions liability, and bodily injury, property damage, and personal injury liability. The agreement for the formation of the Pool provides that the Pool will be self-sustaining through member premiums and will purchase both specific and aggregate stop-loss insurance to the limits determined necessary by the Pool Board.

ALPENA COUNTY ROAD COMMISSION
A Component Unit of Alpena County, Michigan
DEFINED BENEFIT PENSION PLAN SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS PLAN YEARS
DECEMBER 31, 2024

TOTAL PENSION LIABILITY	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Service Cost	\$ 36,831	\$ 57,291	\$ 53,663	\$ 54,834	\$ 65,901	\$ 68,415	\$ 64,150	\$ 70,550	\$ 77,043	\$ 82,702
Interest	976,414	980,213	979,953	963,202	943,963	974,961	959,629	958,752	910,900	898,369
Difference Between Expected and Actual										
Experience	316,772	104,662	(13,093)	(183,039)	(240,648)	163,648	101,357	(109,650)	171,279	
Changes in Assumptions	90,761	*	610,624	373,938	376,229	*	*	*	661,316	
Benefit Payments, Including Refund of Member Contributions	(1,106,496)	(1,043,686)	(981,844)	(947,769)	(960,090)	(926,036)	(928,038)	(914,773)	(852,518)	(810,459)
Other	(753)	22,046	5,886	(23,121)	67,159	(29,158)	(8,582)	15,922	9,539	5,133
NET CHANGE IN TOTAL PENSION LIABILITY	313,529	120,526	655,169	238,045	252,514	251,830	188,516	20,801	977,559	175,745
TOTAL PENSION LIABILITY - Beginning	14,133,908	14,013,382	13,358,213	13,120,168	12,867,654	12,615,824	12,427,308	12,406,507	11,428,948	11,253,203
TOTAL PENSION LIABILITY - Ending	\$ 14,447,437	\$ 14,133,908	\$ 14,013,382	\$ 13,358,213	\$ 13,120,168	\$ 12,867,654	\$ 12,615,824	\$ 12,427,308	\$ 12,406,507	\$ 11,428,948
PLAN FIDUCIARY NET POSITION										
Contributions - Employer	\$ 680,396	\$ 628,688	\$ 696,008	\$ 695,912	\$ 651,140	\$ 978,732	\$ 768,136	\$ 902,363	\$ 613,320	\$ 561,000
Net Investment Income	820,775	1,136,520	(1,237,366)	1,493,256	1,215,405	1,171,665	(360,725)	1,067,602	841,574	(113,343)
Benefit Payments Including Employee Refunds	(1,106,496)	(1,043,686)	(981,844)	(947,769)	(960,090)	(926,036)	(928,038)	(914,773)	(852,518)	(810,459)
Administrative Expense	(24,262)	(24,085)	(21,793)	(17,141)	(19,522)	(20,102)	(17,705)	(16,899)	(16,624)	(16,925)
NET CHANGE IN PLAN FIDUCIARY NET POSITION	370,413	697,437	(1,544,995)	1,224,258	886,933	1,204,259	(538,332)	1,038,293	585,752	(379,727)
Plan Fiduciary Net Position - Beginning	11,115,278	10,417,841	11,962,836	10,738,578	9,851,645	8,647,386	9,185,718	8,147,425	7,561,673	7,941,400
Plan Fiduciary Net Position - Ending	\$ 11,485,691	\$ 11,115,278	\$ 10,417,841	\$ 11,962,836	\$ 10,738,578	\$ 9,851,645	\$ 8,647,386	\$ 9,185,718	\$ 8,147,425	\$ 7,561,673
County's Net Pension Liability - Ending	\$ 2,961,746	\$ 3,018,630	\$ 3,595,541	\$ 1,395,377	\$ 2,381,590	\$ 3,016,009	\$ 3,968,438	\$ 3,241,590	\$ 4,259,082	\$ 3,867,275
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	79%	79%	74%	90%	82%	77%	69%	74%	66%	66%
Covered - Employee Payroll	\$ 376,707	\$ 539,734	\$ 569,676	\$ 572,159	\$ 671,649	\$ 692,862	\$ 677,819	\$ 647,550	\$ 701,059	\$ 794,386
County's Net Pension Liability as a Percentage of Covered-Employee Payroll	786%	559%	631%	244%	355%	435%	585%	501%	608%	487%

Note to Schedule:

Above dates are based on measurement date, which may not necessarily tie to the fiscal year. This schedule is to be built prospectively. Until a full 10-year trend is compiled, the schedule will show information for those years for which data is available, beginning with fiscal year ending December 31, 2015.

ALPENA COUNTY ROAD COMMISSION
 A Component Unit of Alpena County, Michigan
DEFINED BENEFIT PENSION PLAN
SCHEDULE OF CONTRIBUTIONS
SCHEDULE OF EMPLOYER'S PENSION CONTRIBUTION
DECEMBER 31, 2024

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Actuarially Determined Contribution*	\$ 480,396	\$ 428,688	\$ 496,008	\$ 495,912	\$ 451,140	\$ 378,732	\$ 368,136	\$ 352,368	\$ 313,320	\$ 261,000
Contributions in Relation to the Actuarially Determined Contribution	\$ 680,396	\$ 628,688	\$ 696,008	\$ 695,912	\$ 651,140	\$ 978,732	\$ 768,136	\$ 902,368	\$ 613,620	\$ 561,000
Contribution Deficiency (Excess)	\$ (200,000)	\$ (200,000)	\$ (200,000)	\$ (200,000)	\$ (200,000)	\$ (600,000)	\$ (400,000)	\$ (550,000)	\$ (300,300)	\$ (300,000)
Covered - Employee Payroll	\$ 376,707	\$ 539,734	\$ 569,676	\$ 572,159	\$ 671,649	\$ 692,862	\$ 677,819	\$ 647,550	\$ 701,059	\$ 794,386
Contributions as a Percentage of Covered Employee Payroll	181%	116%	122%	122%	97%	141%	113%	139%	88%	71%

Actuarially determined contribution rates are calculated as of December 31, two years prior to the end of the fiscal year in which contributions are reported.

Methods and assumptions are used to determine contribution rates:

Actuarial cost method	Entry Age
Amortization method	Level percentage of payroll, closed
Remaining amortization period	10 years
Asset valuation method	5 - years smoothed market
Inflation	2.50%
Salary Increases	3.00%, average, including inflation
Investment rate return	6.93%
Retirement age	In the 2014 actuarial valuation, expected retirement ages of general employees were adjusted to more closely reflected actual experience.
Mortality	Mortality rates used were based on a version of Pub-2010 and fully generational MP-2019.

The actuarial assumptions used in valuation were based on the results of the most recent actuarial experience study of 2014-2018.

Above dates are based on measurement date, which may not necessarily tie to the fiscal year. This schedule is to be built prospectively. Until a full 10-year trend is compiled, the schedule will show information for those years for which data is available, beginning with fiscal year ending December 31, 2015.