

**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**

	For the Year Ended December 31,			
	2021	2020	2019	2018
<b>Total Pension Liability</b>				
Service cost	\$ 54,834	\$ 65,901	\$ 68,415	\$ 64,150
Interest	963,202	943,963	974,961	959,629
Differences between expected and actual experience	( 183,039)	( 240,648)	163,648	101,357
Changes in assumptions	373,938	376,229	-	-
Benefit payments, including refunds	( 947,769)	( 960,090)	( 926,036)	( 928,038)
Other	( 23,121)	67,159	( 29,158)	( 8,582)
Change in total pension liability	238,045	252,514	251,830	188,516
Total pension liability, beginning of year	13,120,168	12,867,654	12,615,824	12,427,308
Total pension liability, end of year	<u>\$ 13,358,213</u>	<u>\$ 13,120,168</u>	<u>\$ 12,867,654</u>	<u>\$ 12,615,824</u>
<b>Plan Fiduciary Net Position</b>				
Contributions - Employer	\$ 695,912	\$ 651,140	\$ 978,732	\$ 768,136
Net investment income	1,493,256	1,215,405	1,171,665	( 360,725)
Benefit payments, including refunds	( 947,769)	( 960,090)	( 926,036)	( 928,038)
Administrative expenses	( 17,141)	( 19,522)	( 20,102)	( 17,705)
Net change in plan fiduciary net position	1,224,258	886,933	1,204,259	( 538,332)
Plan fiduciary net position, beginning of year	10,738,578	9,851,645	8,647,386	9,185,718
Plan fiduciary net position, end of year	<u>\$ 11,962,836</u>	<u>\$ 10,738,578</u>	<u>\$ 9,851,645</u>	<u>\$ 8,647,386</u>
<b>Road Commission's Net Pension Liability</b>	<u>\$ 1,395,377</u>	<u>\$ 2,381,590</u>	<u>\$ 3,016,009</u>	<u>\$ 3,968,438</u>
<b>Plan Fiduciary Net Position as a Percentage of Total Pension Liability</b>	89.55%	81.85%	76.56%	68.54%
<b>Covered Employee Payroll</b>	\$ 572,159	\$ 671,649	\$ 692,862	\$ 677,819
<b>Road Commission's Net Pension Liability as a Percentage of Covered Employee Payroll</b>	243.9%	354.6%	435.3%	585.5%

\* GASB Statement No. 68 was implemented for fiscal year December 31, 2015. This schedule is being built prospectively. Ultimately, ten years of data will be presented.

**ALPENA COUNTY ROAD COMMISSION**  
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**DEFINED BENEFIT PENSION PLAN**  
**SCHEDULE OF CONTRIBUTIONS**

For the year ended December 31,	Actuarially Determined Contributions (ADC)	Contributions	Contribution excess	Covered payroll	Contributions as a percentage of covered payroll
2021	\$ 495,912	\$ 695,912	\$( 200,000)	\$ 572,159	121.63%
2020	451,140	651,140	( 200,000)	671,649	96.95%
2019	378,732	978,732	( 600,000)	692,862	141.26%
2018	368,136	768,136	( 400,000)	677,819	113.32%
2017	352,368	902,368	( 550,000)	647,550	139.35%
2016	313,320	613,620	( 300,300)	701,059	87.53%
2015	261,000	561,000	( 300,000)	794,386	70.62%

**Valuation Date:** December 31 two years prior to the end of the fiscal year

**Methods and Assumptions Used to Determine Contribution Rates:**

Actuarial cost method	Entry age normal cost method
Amortization method	Level percent of payroll, open
Remaining amortization period	15 years
Asset valuation method	5-year smoothed market value
Inflation	2.50%
Salary increases	2.00%
Investment rate of return	7.75%; For prior to 2017 - 8.00%
Retirement age	Replacement Index up to age 70, then 100%
Mortality	50% Male / 50% Female blend of the following tables: 1) the RP-2014 Healthy Annuitant Mortality Tables with rates multiplied by 105%; 2) the RP-2014 Employee Mortality Tables; and 3) the RP-2014 Juvenile Mortality Tables.

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**ALPENA COUNTY ROAD COMMISSION**  
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**DEFINED BENEFIT OPEB PLAN**  
**SCHEDULE OF CHANGES IN NET OPEB LIABILITY AND RELATED RATIOS**  
**PLAN YEARS**

	For the year ended December 31,			
	2021	2020	2019	2018
<b>Total OPEB Liability:</b>				
Service cost	\$ 6,214	\$ 6,137	\$ 11,089	\$ 9,633
Interest	23,081	15,253	16,819	15,758
Differences between expected and actual experience	( 386)	( 126,085)	34,724	-
Benefit payments, including refunds	( 32,760)	( 34,290)	( 32,390)	( 36,046)
Change in total OPEB liability	( 3,851)	( 138,985)	30,242	( 10,655)
Total OPEB liability, beginning of year	339,906	478,891	448,649	459,304
Total OPEB liability, end of year	<u>\$ 336,055</u>	<u>\$ 339,906</u>	<u>\$ 478,891</u>	<u>\$ 448,649</u>
<b>Plan Fiduciary Net Position:</b>				
Employer contributions -				
Retiree healthcare premiums	\$ 32,760	\$ 34,290	\$ 32,390	\$ 36,046
OPEB Trust Fund	30,000	30,000	-	-
Net investment income	6,979	5,006	-	-
Benefit payments, including refunds	( 32,760)	( 34,290)	( 32,390)	( 36,046)
Administrative expenses	-	( 31)	-	-
Net change in plan fiduciary net position	36,979	34,975	-	-
Plan fiduciary net position, beginning of year	34,975	-	-	-
Plan fiduciary net position, end of year	<u>\$ 71,954</u>	<u>\$ 34,975</u>	<u>\$ -</u>	<u>\$ -</u>
<b>Road Commission's Net OPEB Liability - Ending</b>	<u>\$ 264,101</u>	<u>\$ 304,931</u>	<u>\$ 478,891</u>	<u>\$ 448,649</u>
<b>Plan Fiduciary Net Position as a Percentage of Total OPEB Liability</b>	21.41%	10.29%	0.00%	0.00%
<b>Covered Employee Payroll</b>	\$ 1,496,294	\$ 1,496,294	\$ 1,345,006	\$ 1,395,943
<b>Road Commission's Net OPEB Liability as a Percentage of Covered Employee Payroll</b>	17.65%	20.38%	35.61%	32.14%

\* GASB Statement No. 75 was implemented for fiscal year ended December 31, 2018. This schedule is being built prospectively. Ultimately, ten years of data will be presented.

**ALPENA COUNTY ROAD COMMISSION**  
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**DEFINED BENEFIT OPEB PLAN**  
**SCHEDULE OF CONTRIBUTIONS**

For the year ended December 31,	Actuarially Determined Contributions (ADC)	Contributions	Contribution Deficiency (Excess)	Covered payroll	Contributions as a percentage of covered payroll
2021	\$ 87,027	\$ 62,760	\$ 24,267	\$ 1,496,294	4.19%
2020	98,827	64,290	34,537	1,496,294	4.30%
2019	161,330	32,390	128,940	1,345,006	2.41%
2018	149,879	36,046	113,833	1,395,943	2.58%

**Valuation Date:** December 31, 2020

**Methods and Assumptions Used to Determine Contribution Rates:**

Actuarial cost method	Entry age normal cost method
Amortization method	Level percent of payroll
Remaining amortization period - Employer paid 1/2 insurance	8 years, Open
Employer paid Medicare	3 years, Closed
Asset valuation method	Market Value of Assets
Discount rate	7.00%
Salary increases	3.50%
Investment rate of return	7.00%
Retirement age	62 years
Mortality	United States Life Tables, 2018 (www.cdc.gov)

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