

REQUIRED SUPPLEMENTARY INFORMATION

Crawford County Road Commission

General Operating / Road Fund Schedule of Revenues, Expenditures and Change in Fund Balance - Budget and Actual

For the Year Ended September 30, 2023

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Over (Under) Budget</u>
Property taxes	\$ 650,000	\$ 650,000	\$ 694,301	\$ 44,301
Licenses and permits	25,000	25,000	32,053	7,053
Federal sources				
Various task force	2,169,826	2,169,826	1,862,845	(306,981)
State sources				
Michigan transportation funds				
Engineering	10,000	10,000	10,000	-
Snow removal	71,400	71,400	118,376	46,976
Allocation	5,013,301	5,013,301	4,730,443	(282,858)
Economic development funds				
Rural primary (D)	54,001	54,001	185,741	131,740
Forest road (E)	89,000	89,000	89,055	55
Other	405,102	405,102	-	(405,102)
Other				
Protecting MI pension grant		-	1,888,525	1,888,525
Contributions from local units				
Townships	285,531	285,531	17,875	(267,656)
Charges for services				
State trunkline maintenance	1,120,000	1,120,000	1,070,993	(49,007)
State trunkline non-maintenance	760,000	760,000	195,029	(564,971)
Salvage sales		-	22,087	22,087
Interest and rentals	4,000	4,000	92,068	88,068
Other				
Gain (loss) on equipment disposal		-	300,000	300,000
Other	20,000	20,000	7,595	(12,405)
Total revenue	<u>\$ 10,677,161</u>	<u>\$ 10,677,161</u>	<u>\$ 11,316,986</u>	<u>\$ 639,825</u>

Crawford County Road Commission

General Operating / Road Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual (continued)

For the Year Ended September 30, 2023

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Over (Under) Budget</u>
Primary Road				
Preservation / structural improvements	\$ 3,757,830	\$ 3,757,830	\$ 4,161,993	\$ 404,163
Maintenance	1,000,000	1,000,000	969,824	(30,176)
Local Road				
Preservation / structural improvements	200,000	200,000	210	(199,790)
Maintenance	1,600,000	1,600,000	1,802,882	202,882
Total preservation and maintenance	6,557,830	6,557,830	6,934,909	377,079
State trunkline maintenance	1,690,000	1,690,000	1,070,993	(619,007)
State trunkline non-maintenance	-	-	195,029	195,029
Administrative (net)	520,000	520,000	497,906	(22,094)
Equipment (net)	300,000	300,000	1,184,213	884,213
Capital outlay (net)	(625,000)	(625,000)	63,914	688,914
Debt service				
Principal	120,000	120,000	387,531	267,531
Interest	-	-	32,884	32,884
Other (Protecting MI pension grant)	-	-	1,900,128	1,900,128
Distributive - other	185,000	185,000	-	(185,000)
Distributive fringe benefits	1,800,000	1,800,000	-	(1,800,000)
Total expenditures	<u>10,547,830</u>	<u>10,547,830</u>	<u>12,267,507</u>	<u>1,719,677</u>
Net change in fund balance	129,331	129,331	(950,521)	(1,079,852)
Fund balance, beginning of year	4,097,199	4,097,199	4,097,199	-
Fund balance, end of year	<u>\$ 4,226,530</u>	<u>\$ 4,226,530</u>	<u>\$ 3,146,678</u>	<u>\$ (1,079,852)</u>

Crawford County Road Commission

Required Supplementary Information

Schedule of Changes in Net Pension Liability and Related Ratios

Last 10 Fiscal Years Ended September 30,

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Total pension liability				
Service cost	\$ 202,700	\$ 189,307	\$ 185,554	\$ 185,448
Interest	855,792	830,380	799,563	769,803
Changes of benefit terms	-	-	-	(107)
Differences between expected and actual experience	48,931	115,996	(168,245)	259,272
Changes in assumptions	-	422,208	259,615	332,237
Benefit payments	(700,335)	(672,882)	(672,882)	(624,472)
Other changes	-	-	-	1
Net change in total pension liability	407,088	885,009	403,605	922,182
Total pension liability - beginning	12,052,845	11,167,836	10,764,231	9,842,049
Total pension liability - ending	<u>\$ 12,459,933</u>	<u>\$ 12,052,845</u>	<u>\$ 11,167,836</u>	<u>\$ 10,764,231</u>
Plan fiduciary net position				
Contributions - employer	\$ 841,458	\$ 759,384	\$ 699,603	\$ 695,563
Contributions - member	81,305	79,368	75,680	81,707
Net investment income (loss), net	(638,035)	751,286	606,897	540,412
Benefit payments, including refunds of member contributions	(700,335)	(672,882)	(672,882)	(624,472)
Administrative expenses	(11,603)	(8,617)	(9,349)	(9,330)
Other	-	-	-	-
Net change in fiduciary net position	(427,210)	908,539	699,949	683,880
Fiduciary net position - beginning	6,178,502	5,269,963	4,570,014	3,886,134
Fiduciary net position - ending	<u>\$ 5,751,292</u>	<u>\$ 6,178,502</u>	<u>\$ 5,269,963</u>	<u>\$ 4,570,014</u>
Net pension liability - ending	<u>\$ 6,708,641</u>	<u>\$ 5,874,343</u>	<u>\$ 5,897,873</u>	<u>\$ 6,194,217</u>
Fiduciary net position as a percentage of the total pension liability	46.16%	51.26%	47.19%	42.46%
Covered-employee payroll	\$ 1,607,090	\$ 1,586,190	\$ 1,539,561	\$ 1,526,994
Net pension liability as percentage of covered-employee payroll	417.44%	370.34%	383.09%	405.65%

See Notes to Required Supplementary Information

Crawford County Road Commission
Required Supplementary Information
Schedule of Changes in Net Pension Liability and Related Ratios

Last 10 Fiscal Years Ended September 30,

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015*</u>
Total pension liability					
Service cost	\$ 186,389	\$ 180,341	\$ 171,605	\$ 157,370	\$ 154,944
Interest	751,576	728,256	707,800	662,782	641,354
Changes of benefit terms	-	(1,191)	(5,560)	(4,682)	-
Differences between expected and actual experience	(113,624)	(47,719)	(58,232)	129,045	-
Changes in assumptions	-	-	-	411,691	-
Benefit payments	(567,561)	(574,858)	(553,731)	(545,430)	(530,067)
Other changes	(2)	(2)	(2)	2	1
Net change in total pension liability	<u>256,778</u>	<u>284,827</u>	<u>261,880</u>	<u>810,778</u>	<u>266,232</u>
Total pension liability - beginning	<u>9,585,271</u>	<u>9,300,444</u>	<u>9,038,564</u>	<u>8,227,786</u>	<u>7,961,554</u>
Total pension liability - ending	<u>\$ 9,842,049</u>	<u>\$ 9,585,271</u>	<u>\$ 9,300,444</u>	<u>\$ 9,038,564</u>	<u>\$ 8,227,786</u>
Plan fiduciary net position					
Contributions - employer	\$ 639,758	\$ 596,825	\$ 438,313	\$ 383,768	\$ 381,846
Contributions - member	76,826	72,930	62,614	51,442	51,447
Net investment income (loss), net	(159,003)	451,718	346,163	(47,573)	197,860
Benefit payments, including refunds of member contributions	(567,561)	(574,858)	(553,731)	(545,430)	(530,067)
Administrative expenses	(7,722)	(7,133)	(6,832)	(7,002)	(7,247)
Other	-	-	-	-	-
Net change in fiduciary net position	<u>(17,702)</u>	<u>539,482</u>	<u>286,527</u>	<u>(164,795)</u>	<u>93,839</u>
Fiduciary net position - beginning	<u>3,903,836</u>	<u>3,364,354</u>	<u>3,077,827</u>	<u>3,242,622</u>	<u>3,148,783</u>
Fiduciary net position - ending	<u>\$ 3,886,134</u>	<u>\$ 3,903,836</u>	<u>\$ 3,364,354</u>	<u>\$ 3,077,827</u>	<u>\$ 3,242,622</u>
Net pension liability - ending	<u>\$ 5,955,915</u>	<u>\$ 5,681,435</u>	<u>\$ 5,936,090</u>	<u>\$ 5,960,737</u>	<u>\$ 4,985,164</u>
Fiduciary net position as a percentage of the total pension liability	39.49%	40.73%	36.17%	34.05%	39.41%
Covered-employee payroll	\$ 1,525,646	\$ 1,485,598	\$ 1,411,941	\$ 1,325,779	\$ 1,304,600
Net pension liability as percentage of covered-employee payroll	390.39%	382.43%	420.42%	449.60%	382.12%

* GASB Statement No. 68 was implemented as of September 30, 2015. Information from 2014 is not available. Additional years will be presented on this schedule on a prospective basis.

See Notes to Required Supplementary Information

Crawford County Road Commission
Required Supplementary Information
Schedule of Employer's Net Pension Liability
Last 10 Fiscal Years Ended September 30,

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Total pension liability	\$ 12,459,933	\$ 12,052,845	\$ 11,167,836	\$ 10,764,231
Plan net position	5,751,292	6,178,502	5,269,963	4,570,014
Net pension liability	6,708,641	5,874,343	5,897,873	6,194,217
Plan net position as a percent of total pension liability	46.16%	51.26%	47.19%	42.46%
Covered payroll	\$ 1,607,090	\$ 1,586,190	\$ 1,539,561	\$ 1,526,994
Net pension liability as a percent of covered payroll	417.44%	370.34%	383.09%	405.65%

See Notes to Required Supplementary Information

Crawford County Road Commission
Required Supplementary Information
Schedule of Employer's Net Pension Liability
Last 10 Fiscal Years Ended September 30,

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015*</u>
Total pension liability	\$ 9,842,049	\$ 9,585,271	\$ 9,300,444	\$ 9,038,564	\$ 8,227,786
Plan net position	3,886,134	3,903,836	3,364,354	3,077,827	3,242,622
Net pension liability	5,955,915	5,681,435	5,936,090	5,960,737	4,985,164
Plan net position as a percent of total pension liability	39.49%	40.73%	36.17%	34.05%	39.41%
Covered payroll	\$ 1,525,646	\$ 1,485,598	\$ 1,411,941	\$ 1,325,779	\$ 1,304,600
Net pension liability as a percent of covered payroll	390.39%	382.43%	420.42%	449.60%	382.12%

* GASB Statement No. 68 was implemented as of September 30, 2015. Information from 2014 is not available. Additional years will be presented on this schedule on a prospective basis.

See Notes to Required Supplementary Information

Crawford County Road Commission

Required Supplementary Information

Schedule of Employer Contributions

Last 10 Fiscal Years Ended September 30,

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Actuarially determined contribution	\$ 661,458	\$ 366,132	\$ 335,778	\$ 356,712
Contributions in relation to the actuarially determined contribution	841,458	759,384	699,603	695,563
Contribution deficiency (excess)	<u>\$ 180,000</u>	<u>\$ 393,252</u>	<u>\$ 363,825</u>	<u>\$ 338,851</u>
Covered-employee payroll	\$ 1,607,090	\$ 1,586,190	\$ 1,539,561	\$ 1,526,994
Contributions as percentage of covered- employee payroll	52.36%	47.87%	45.44%	45.55%

See Notes to Required Supplementary Information

Crawford County Road Commission

Required Supplementary Information

Schedule of Employer Contributions

Last 10 Fiscal Years Ended September 30,

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015*</u>
Actuarially determined contribution	\$ 335,043	\$ 335,112	\$ 289,860	\$ 290,247	\$ 286,143
Contributions in relation to the actuarially determined contribution	<u>639,758</u>	<u>596,825</u>	<u>438,313</u>	<u>383,768</u>	<u>381,846</u>
Contribution excess (deficiency)	<u>\$ 304,715</u>	<u>\$ 261,713</u>	<u>\$ 148,453</u>	<u>\$ 93,521</u>	<u>\$ 95,703</u>
Covered-employee payroll	\$ 1,525,646	\$ 1,485,598	\$ 1,411,941	\$ 1,325,779	\$ 1,304,600
Contributions as percentage of covered- employee payroll	41.93%	40.17%	31.04%	28.95%	29.27%

* GASB Statement No. 68 was implemented as of September 30, 2015. Information from 2014 is not available. Additional years will be presented on this schedule on a prospective basis.

See Notes to Required Supplementary Information

Crawford County Road Commission

Required Supplementary Information

Schedule of Changes in Net OPEB Liability and Related Ratios

Last 10 Fiscal Years Ended September 30,

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018*</u>
Total OPEB liability						
Service cost	\$ 13,851	\$ 11,474	\$ 13,648	\$ 26,521	\$ 37,909	\$ 42,637
Interest	78,196	77,311	77,440	36,687	35,491	35,906
Changes of benefit terms	-	-	-	-	-	-
Differences in experience	(75,993)	33,409	(83,266)	323,166	-	-
Changes in assumptions	-	(1,776)	(42,106)	(340,062)	-	-
Benefit payments	(54,493)	(60,650)	(74,404)	(126,563)	(127,485)	(90,579)
Other changes	-	-	-	-	41,079	39,886
Net change in total OPEB liability	(38,439)	59,768	(108,688)	(80,251)	(13,006)	27,850
Total OPEB liability - beginning	1,130,470	1,070,702	1,179,390	1,259,641	1,272,647	1,244,797
Total OPEB liability - ending	<u>\$ 1,092,031</u>	<u>\$ 1,130,470</u>	<u>\$ 1,070,702</u>	<u>\$ 1,179,390</u>	<u>\$ 1,259,641</u>	<u>\$ 1,272,647</u>
Plan fiduciary net position						
Contributions - employer	\$ 214,493	\$ 160,650	\$ 180,637	\$ 226,563	\$ 291,759	\$ 90,579
Contributions - member	-	-	-	-	-	-
Net investment income (loss), net	58,146	(70,621)	58,807	24,323	5,726	-
Benefit payments, including refunds of member contributions	(54,493)	(60,650)	(74,404)	(126,563)	(127,485)	(90,579)
Administrative expenses	(1,150)	(872)	(679)	(383)	-	-
Other	-	-	-	-	-	-
Net change in fiduciary net position	216,996	28,507	164,361	123,940	170,000	-
Fiduciary net position - beginning	486,808	458,301	293,940	170,000	-	-
Fiduciary net position - ending	<u>\$ 703,804</u>	<u>\$ 486,808</u>	<u>\$ 458,301</u>	<u>\$ 293,940</u>	<u>\$ 170,000</u>	<u>\$ -</u>
Net OPEB liability - ending	<u>\$ 388,227</u>	<u>\$ 643,662</u>	<u>\$ 612,401</u>	<u>\$ 885,450</u>	<u>\$ 1,089,641</u>	<u>\$ 1,272,647</u>
Fiduciary net position as a percentage of the total OPEB liability	64.45%	43.06%	42.80%	24.92%	13.50%	0.00%
Covered-employee payroll	\$ 1,744,821	\$ 1,673,005	\$ 1,545,736	\$ 1,544,123	\$ 1,525,646	\$ 1,485,598
Net OPEB liability as percentage of covered-employee payroll	22.25%	38.47%	39.62%	57.34%	71.42%	85.67%

* GASB Statement No. 75 was implemented as of September 30, 2018. Information from 2014 through 2017 is not available. Additional years will be presented on this schedule on a prospective basis.

See Notes to Required Supplementary Information

Crawford County Road Commission
Required Supplementary Information
Schedule of Employer's Net OPEB Liability
Last 10 Fiscal Years Ended September 30,

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018*</u>
Total OPEB liability	\$ 1,092,031	\$ 1,130,470	\$ 1,070,702	\$ 1,179,390	\$ 1,259,641	\$ 1,272,647
Plan net position	703,804	486,808	458,301	293,940	170,000	-
Net OPEB liability	388,227	643,662	612,401	885,450	1,089,641	1,272,647
Plan net position as a percent of total OPEB liability	35.55%	56.94%	57.20%	75.08%	86.50%	100.00%
Covered payroll	\$ 1,744,821	\$ 1,673,005	\$ 1,545,736	\$ 1,544,123	\$ 1,525,646	\$ 1,485,598
Net OPEB liability as a percent of covered payroll	22.25%	38.47%	39.62%	57.34%	71.42%	85.67%

* GASB Statement No. 75 was implemented as of September 30, 2018. Information from 2014 through 2017 is not available. Additional years will be presented on this schedule on a prospective basis.

See Notes to Required Supplementary Information

Crawford County Road Commission
Required Supplementary Information
Schedule of Employer Contributions - OPEB
Last 10 Fiscal Years Ended September 30,

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018*</u>
Actuarially determined contribution	\$ 149,858	\$ 154,896	\$ 184,250	\$ 185,330	\$ 72,936	\$ 80,942
Contributions in relation to the actuarially determined contribution	214,493	160,650	180,637	226,563	291,759	90,579
Contribution excess (deficiency)	<u>\$ 64,635</u>	<u>\$ 5,754</u>	<u>\$ (3,613)</u>	<u>\$ 41,233</u>	<u>\$ 218,823</u>	<u>\$ 9,637</u>
Covered-employee payroll	\$ 1,744,821	\$ 1,673,005	\$ 1,545,736	\$ 1,544,123	\$ 1,525,646	\$ 1,485,598
Contributions as percentage of covered- employee payroll	12.29%	9.60%	11.69%	14.67%	19.12%	6.10%

* GASB Statement No. 75 was implemented as of September 30, 2018. Information from 2014 through 2017 is not available. Additional years will be presented on this schedule on a prospective basis.

See Notes to Required Supplementary Information

Crawford County Road Commission
Required Supplementary Information
Schedule of Investment Returns - OPEB
Last 10 Fiscal Years Ended September 30,

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018*</u>
Annual money-weighted rate of return, net of investment expenses	10.22%	-14.22%	15.91%	8.41%	1.07%	0.00%

* GASB Statement No. 75 was implemented as of September 30, 2018. Information from 2014 through 2017 is not available. Additional years will be presented on this schedule on a prospective basis.

See Notes to Required Supplementary Information

Crawford County Road Commission
Notes to Required Supplementary Information

Budgetary Data

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

- * The Road Commission Clerk prepares a proposed operating budget for the fiscal year commencing October 1st. The proposed operating budget includes identification of expenditures and resources to finance them.
- * Prior to September 30th, the proposed budget is presented to the Board of County Road Commissioners. The budget is reviewed and may be amended by the Board and a public hearing is held regarding the proposed budget. The budget is then legally enacted through passage of a
- * The Road Commission’s approved budget was adopted at the activity level. This is the legally enacted level under the State of Michigan Uniform Budgeting and Accounting Act, since the Board of County Road Commissioners must approve amendments to the budget at the activity level.
- * The budget for the General Operating / Road Fund is adopted on a basis consistent with U.S. GAAP. Budget amounts reported in the financial statements consist of those amounts contained in the formal budget approved and amended by the Board.
- * The Road Commission adopts a budget for the General Operating / Road Fund by means of an appropriations act, on a departmental activity basis in summary form. Periodic internal reporting is on a detail basis in accordance with the State-prescribed uniform chart of accounts consistent with the way the books are maintained. The budget is prepared on the modified accrued basis of accounting.
- * Michigan Public Act 621 of 1978, Section 18(1), as amended, provides that a governmental unit shall not incur expenditures in excess of the amount appropriated at the legally adopted level. Variances at the legal level of control are as disclosed on the Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual.
- Michigan Public Act 621 of 1978, Section 18(1), as amended, provides that a governmental unit shall not incur expenditures in excess of the amount appropriated at the legally adopted level. The General Operating Fund had expenditures that exceeded budgeted appropriations at the activity level, which is the Road Commission’s legal level of budgetary control, as follows:

	Final Budget	Actual	Over (Under) Budget
General Operating Fund			
Public Works	\$ 11,052,830	\$ 11,783,178	\$ 730,348
Capital outlay (net)	(625,000)	63,914	688,914
Debt service	120,000	420,415	300,415

Revenues and existing fund balance were sufficient to cover all expenditures in the General Operating / Road Fund.

Methods and Assumptions Used to Determine Contribution Rates:

Defined Benefit Pension Plan

Valuation date	December 31, 2022
Notes	Actuarially determined contribution rates are calculated as of the December 31 that is 12 months prior to the beginning of the fiscal year in which contributions are reported.

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry-age normal
Amortization method	Level percentage of payroll, closed
Remaining amortization period	16 years
Asset valuation method	Open; 10-year smoothed market
Inflation	2.50%
Salary increases	3.00% (plus 0.00% to 11.00% for merit and longevity)
Investment rate of return	7.00% (net of administrative and investment expenses)
Retirement age	Age-based table of rates that are specific to the type of eligibility condition.

Mortality	RP-2014 Group Annuity Mortality Table of a 50% Male and 50% Female blend for non-disabled plan members and 50% Male and 50% Female blend of the RP-2014 Disabled Retiree Mortality Tables for disabled plan members.
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Assumption changes	The 12/31/2019 valuation lowered the projected rate of return from 7.75% to 7.35% and the rate of wage inflation from 3.75% to 3.00% MERS adopted demographic assumptions effective with the 12/31/2020 annual actuarial valuation, which will impact contributions beginning in 2022.
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Crawford County Road Commission
Notes to Required Supplementary Information

Methods and Assumptions Used to Determine Contribution Rates:

Defined Benefit OPEB Plan

Valuation date	September 30, 2022 rolled forward to September 30, 2023
Methods and assumptions used to determine contribution rates:	
Actuarial cost method	Entry-age normal
Amortization method	Level percentage of payroll, open
Asset valuation method	Market value
Discount rate to measure liability	7.00%
Remaining amortization period	6 years
20-year Aa municipal bond rate	4.77
Inflation	2.50%
Salary increases	5.00%
Return on plan assets	7.00%
Mortality rates	2010 Public General Employees and Healthy Retirees, Headcount weighted with 2021 Mortality Improvement Scale
Utilization	100% of covered employees at the valuation date will have the same coverage at retirement; actual coverage used for non-active
Retirement rates	100% at first eligibility
Marital assumption	70% of the actives with a covered spouse will have a covered spouse at retirement with females 3 years younger than males; actual spouse data used for retirees
Assumption changes	2021 Valuation: Salary scale updated from 3.0% to 5.0%. Discount rate updated from 7.35% to 7.00%. Marital assumption at retirement changed from 75% to 70%. The 9/30/2020 valuation was performed using valuation software designed specifically for valuing OPEB plans sponsored by municipalities instead of the previously used Alternative Measurement Method. This change, combined with any demographic changes in the members covered by the plan during the previous year, resulted in an actuarial loss (increase in liability) of \$361,771. This loss was offset somewhat by an actuarial gain (decrease in liability) of \$38,605 due to actual benefit payments being lower than expected for the fiscal year ending 9/30/2020. There was also an offsetting gain of \$340,062 due to changes in the actuarial assumptions, primarily, the increase in the discount rate from 3.0% to 6.7%. Mortality improvement scale was changed from MP-2020 to MP-2021. Salary scale was updated from 3.50% to 3.0%