ANTRIM COUNTY ROAD COMMISSION

FINANCIAL REPORT

DECEMBER 31, 2024

ANTRIM COUNTY

BOARD OF COUNTY ROAD COMMISSIONERS

Godfrey Hoogerhyde - Chairman

Dieter Amos - Vice Chairman

Kevin Giar - Commissioner

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

Jessica Harp - Finance Manager

Kelly Sexton - Office/HR Manager

ANTRIM COUNTY ROAD COMMISSION
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Tyler J. Watters, P.C.
Certified Public Accountant

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INDEPENDENT AUDITOR'S REPORT

March 31, 2025

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

Report on the Audit of the Financial Statements

Opinions

I have audited the accompanying financial statements of the governmental activities and major fund and the aggregate remaining fund information of the Antrim County Road Commission, a component unit of Antrim County, Michigan, as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise the Road Commission's basic financial statements as listed in the table of contents.

In my opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the major fund of the Antrim County Road Commission, as of December 31, 2024, and the respective changes in financial position, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

I conducted my audit in accordance's with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. I am required to be independent of the Antrim County Road Commission and to meet my other ethical responsibilities, in accordance with the relevant ethical requirements relating to my audit. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Road Commission's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, I:

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, employee retirement and benefit systems, and budgetary comparison information on pages 5-10 and 39-47 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. I have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to my inquiries, the basic financial statements, and other knowledge I obtained during my audit of the basic financial statements. I do not express an opinion or provide any assurance on the information because the limited procedures do not provide me with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

My audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Antrim County Road Commission's basic financial statements. The accompanying supplementary and related information is presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In my opinion, the accompanying supplementary and related information are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, I have also issued my report dated March 31, 2025, on my consideration of the Antrim County Road Commission's internal control over financial reporting and on my tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is solely to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Antrim County Road Commission's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Antrim County Road Commission internal control over financial reporting and compliance.

Tyler Watters CPA

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

ANTRIM COUNTY ROAD COMMISSION
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2024

Our discussion and analysis of Antrim County Road Commission's financial performance provides an overview of the Road Commission's financial activities for the fiscal year ended December 31, 2024. This annual report consists of a series of financial statements. The Statement of Net Position and the Statement of Activities provide information about the activities of the Road Commission and present a longer-term view of the Road Commission's finances. Fund financial statements tell how these services were financed in the short-term, as well as what remains for future spending. Fund financial statements also report the road commission's operations in more detail than a government-wide financial statements.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

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

REPORTING THE ROAD COMMISSION AS A WHOLE

Government-Wide Statements

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

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

Fund Financial Statements

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

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

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

FINANCIAL ANALYSIS OF THE ROAD COMMISSION AS A WHOLE

The Road Commission's net position increased with a change from $41,386,023 to $43,879,004 as of December 31, 2024. The net position is summarized below.

Net Position

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

The investment in capital assets, net of related debt, was $47,301,170 at December 31, 2023, and $48,198,740 as of December 31, 2024. The increase in net position invested in capital assets is primarily the result of capitalizing infrastructure of $2,497,448 and equipment purchases offset by the annual depreciation expense. The restricted net position increased by $1,595,411 during the current year. The Road Commission had a $584,404 increase in revenues stemming from an increase in charges for services and other general revenues offset by a decrease in operating grants. Total expenses increased by $2,138,550.

Net position as of year ended December 31, 2024, and December 31, 2023:

	12/31/2024	12/31/2023	Increase/ Decrease
Current and Other Assets	$ 5,194,314	$ 4,638,599	$ 555,715
Capital Assets (Net)	51,788,740	51,115,696	673,044
Total Assets	56,983,054	55,754,295	1,228,759
Deferred Outflows of Resources	978,634	1,106,883	(128,249)
Long-Term Debt Outstanding	12,697,703	13,171,877	(474,174)
Other Liabilities	852,423	1,495,621	(643,198)
Total Liabilities	13,550,126	14,667,498	(1,117,372)
Deferred Inflows of Resources	532,558	807,657	(275,099)
Net Position			
Invested in Capital Assets	48,198,740	47,301,170	897,570
Restricted	(4,319,736)	(5,915,147)	1,595,411
Total Net Position	$ 43,879,004	$ 41,386,023	$ 2,492,981

Changes in Net Position

A summary of changes in net position follows:

	12/31/2024	12/31/2023	Increase/ Decrease
Program Revenues			
Charges for Services	$ 1,403,141	$ 893,636	$ 509,505
Operating Grants and Contributions	10,065,983	10,454,856	(388,873)
Capital Grants and Contributions	-	-	-
General Revenues			
Gain (Loss) on Disposals	-	77,769	(77,769)
Interest Earnings	45,578	5,084	40,494
Other	1,023,177	522,130	501,047
Total Revenues	12,537,879	11,953,475	584,404
Program Expenses			
Public Works	9,939,221	7,799,924	2,139,297
Interest Expense	105,677	106,424	(747)
Total Program Expenses	10,044,898	7,906,348	2,138,550
Changes in Net Position	2,492,981	4,047,127	(1,554,146)
Net Position - Beginning of Year	41,386,023	37,338,896	4,047,127
Net Position - End of Year	$ 43,879,004	$ 41,386,023	$ 2,492,981

The Road Commission's Fund

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

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

	12/31/2024	12/31/2023	Increase/ Decrease
Revenues			
Licenses and Permits	$ 48,812	$ 58,871	$ (10,059)
Federal	-	-	-
State	7,761,483	8,249,096	(487,613)
Local	2,661,558	2,904,057	(242,499)
Charges for Services	1,362,099	838,840	523,259
Interest and Rents	45,578	5,084	40,494
Other	478,107	77,769	400,338
Total Revenues	12,357,637	12,133,717	223,920
Expenditures			
Public Works	10,720,829	11,680,258	(959,429)
Net Capital Outlay	6,902	(204,432)	211,334
Debt Service	557,137	615,781	(58,644)
Total Expenditures	11,284,868	12,091,607	(806,739)
Excess of Revenues Over (Under) Expenditures	1,072,769	42,110	1,030,659
Other Financing Sources			
Debt Proceeds	-	365,635	(365,635)
Total Other Financing Sources	-	365,635	(365,635)
Excess of Revenue and Other Financing Sources Over (Under) Expenditures	1,072,769	407,745	665,024
Fund Balance - January 1	3,547,746	3,140,001	407,745
Fund Balance - December 31	$ 4,620,515	$ 3,547,746	$ 1,072,769

BUDGETARY HIGHLIGHTS

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

The final amended revenue budget for 2024 was $2,854,704 more than the original budget primarily due to increases in expected contributions from local units.

The final amended expenditure budget for 2024 was $3,330,332 higher than the original budget primarily due to increases in Primary and Local Road expenses and capital outlays. The actual expenditures incurred during 2024 were less than the final amended budget by $3,919,132. There were two unfavorable variances in expenditure line items.

Capital Assets

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

	12/31/2024	12/31/2023	Increase/ Decrease
Capital Assets Not Being Depreciated:			
Land and Improvements	$ 22,746,119	$ 22,304,197	$ 441,922
Subtotal	22,746,119	22,304,197	441,922
Capital Assets Being Depreciated:			
Buildings	6,862,541	6,729,878	132,663
Road Equipment	11,331,412	10,579,375	752,037
Shop Equipment	340,027	337,139	2,888
Office Equipment	181,947	173,075	8,872
Engineers Equipment	114,471	114,471	-
Yard & Storage Equipment	1,049,391	1,049,391	-
Infrastructure - Bridges	2,787,590	2,212,613	574,977
Infrastructure - Roads	34,663,219	33,182,670	1,480,549
Subtotal	57,330,598	54,378,612	2,951,986
Total Capital Assets	80,076,717	76,682,809	3,393,908
Total Accumulated Depreciation	28,287,977	25,567,113	2,720,864
Total Net Capital Assets	$ 51,788,740	$ 51,115,696	$ 673,044
Debt Related to capital assets - bonds	$ 3,590,000		

The Road Commission capitalized infrastructure and related assets during the current year in the amount of $3,393,908. The infrastructure recorded during 2024 will be depreciated in the following years. The infrastructure is financed through Federal, State, and local contributions.

Debt

At the year end, the Road Commission had $3,590,000 in debt relating to bonds issued during 2022 for the construction of a new facility. Other long-term debt includes accrued vested employee benefits, pension benefits, and OPEB liabilities.

Economic Factors and Next Year's Budget

The Road Commission as a Whole

2024 included 47.6 miles of work in cooperation with the townships totaling $3,265,000. $250,000 was shared with all townships under the Road Commission cost sharing policy with townships taking advantage of $362,080 of 2024 and previously unused allocation and leaving $46,706 for future years. The Road Commission paid off a loan of $550,011 used to complete the 2023 Eddy School Road project.

2024 Work

As part of the ongoing Road Commission five year planned projects, 2.5 miles of crush & shape on Old State Road will be completed utilizing Federal funds, $150,000 of Jordan Township contribution and some Road Commission funds. The Road Commission will continue the township cost share policy but at a reduced level of $300,000.

Capital Assets

Projected purchases for 2025 include two new large trucks.

Closing

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

Requests for Information

This financial report is designed to provide general overview of the Road Commission's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to:

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

ANTRIM COUNTY ROAD COMMISSION
STATEMENT OF NET POSITION
DECEMBER 31, 2024

Assets	
Cash and Equivalents	$ 1,428,876
Investments	1,029,684
Accounts receivable:	
Sundry	1,720
Due from other governmental units	1,605,889
Inventories	1,074,999
Prepaid Items	53,146
Capital Assets (Net of Accumulated Depreciation)	51,788,740
Total Assets	56,983,054
Deferred Outflows of Resources	
Pension and OPEB Items	978,634
Total Deferred Outflows of Resources	978,634
Liabilities	
Current Liabilities	
Accounts payable	82,475
Accrued liabilities	109,674
Accrued interest	20,683
Advances from governmental units	309,862
Unearned revenue	51,105
Bonds Payable and Lease Purchase (Due within One Year)	160,000
Vested Employee Benefits Payable (Due within One Year)	118,624
Non Current Liabilities	
Bonds Payable	3,430,000
Vested Employee Benefits Payable	66,637
Post Employment Benefit Liabilities	2,264,921
Net Pension Liability	6,936,145
Total Liabilities	13,550,126
Deferred Inflows of Resources	
Pension Items	387,094
Bond Premium	145,464
Total Deferred Inflows of Resources	532,558
Net Position	
Net Investment in Capital Assets	48,198,740
Restricted for County Roads	(4,319,736)
Total Net Position	$ 43,879,004

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

ANTRIM COUNTY ROAD COMMISSION
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2024

Program Expenses	
Primary Road Maintenance	$ 1,936,122
Local Road Maintenance	4,442,282
State Trunkline Maintenance	1,186,465
Net Equipment Expense	(68,725)
Net Administrative Expense	727,237
Infrastructure Depreciation	1,831,306
Compensated Absences	30,669
Post Employment Benefits	(65,657)
Pension Expense	(80,478)
Interest Expense	105,677
Total Program Expenses	10,044,898
Program Revenue	
Charges for Services	
Licenses and Permits	48,812
Charges for Services	1,354,329
Operating Grants and Contributions	
Michigan Transportation Funds	7,224,183
State Grants	180,242
Interest Earnings	45,578
Contributions from Local Units	2,661,558
Capital Grants and Contributions	
Federal Grants	-
State Grants	-
Total Program Revenues	11,514,702
Net Program Revenues (Expenses)	1,469,804
General Revenues	
Gain (Loss) on Disposal of Assets	-
Sale of Federal Aid	537,300
Other	485,877
Total General Revenues	1,023,177
Change in Net Position	2,492,981
Net Position - Beginning Balance	41,386,023
Net Position - Ending Balance	$ 43,879,004

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

ANTRIM COUNTY ROAD COMMISSION
BALANCE SHEET
DECEMBER 31, 2024

	Governmental Fund Type General Operating
Assets	
Cash and Equivalents	$ 1,428,876
Investments	1,029,684
Accounts receivable:	
Sundry	1,720
Due from other governmental units	1,605,889
Inventories	1,074,999
Prepaid items	53,146
Total Assets	$ 5,194,314
Liabilities	
Accounts payable	$ 82,475
Accrued liabilities	109,674
Accrued interest	20,683
Advances from governmental units	309,862
Unearned revenue	51,105
Total Liabilities	573,799
Fund Balances	
Non-Spendable	1,128,145
Unassigned	3,492,370
Total Fund Balances	4,620,515
Total Liabilities, Deferred Inflows of Resources and Fund Balances	$ 5,194,314

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

ANTRIM COUNTY ROAD COMMISSION
RECONCILIATION OF THE BALANCE SHEET FUND BALANCE TO THE STATEMENT OF NET POSITION
DECEMBER 31, 2024

Total governmental fund balance	$ 4,620,515
Amounts reported for governmental activities in the Statement of Net Position are different because:	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the fund financial statements.	51,788,740
Long-term liabilities are not due and payable in the current period and therefore are not reported in the fund financial statements.	(3,590,000)
Bond Premiums are not due and payable in the current period and are not reported in the funds.	(145,464)
Vested Employee Benefits Payable are not due and payable in the current period and are not reported in the funds.	(185,261)
Other Post Employment Benefits are not due and payable in the current period and are not reported in the fund statements.	
Post employment benefit liability	(2,264,921)
Deferred outflows related to OPEB	807
Pensions Benefits are not due and payable in the current period and are not reported in the fund statements.	
Net pension liability	(6,936,145)
Deferred outflows related to pension benefits	977,827
Deferred inflows related to pension benefits	(387,094)
Net Position of governmental activities	$ 43,879,004

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

ANTRIM COUNTY ROAD COMMISSION
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
FOR THE YEAR ENDED DECEMBER 31, 2024

	Governmental Fund Type
	General Operating
Revenues	
Licenses and Permits	$ 48,812
Federal Sources	-
State Sources	7,761,483
Contributions from Local Units	2,661,558
Charges for Services	1,362,099
Interest and Rents	45,578
Other	478,107
Total Revenues	12,357,637
Expenditures	
Public Works	10,720,829
Net Capital Outlay	6,902
Debt Service	557,137
Total Expenditures	11,284,868
Excess of Revenues Over (Under) Expenditures	1,072,769
Fund Balance - Beginning of Year	3,547,746
Fund Balance - End of Year	$ 4,620,515

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

ANTRIM COUNTY ROAD COMMISSION
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2024

Net Change in fund balances - total governmental funds	$ 1,072,769
Amounts reported for governmental activities in the Statement of Activities are different because:	
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.	
Add - capital outlay	3,393,908
Deduct - depreciation expense and retirements	(2,720,864)
Lease proceeds provide current financial resources to governmental funds, but entering into bond or lease agreements increases long-term liabilities in the statement of net position. Repayment of notes/leases payable is an expenditure in governmental funds, but reduces the longterm liabilities in the statement of net position.	
Add - Note/lease payments	443,804
Add - Bond premium	7,656
(Increase)/Decrease in accumulated employee sick and vacation pay and other similar expenses reported in the Statement of Activities do not require the use of current resources, and therefore, are not reported in the fund financial statements until they come due for payment.	(30,669)
Other postemployment benefit obligation expense is recognized in the Statement of Activities, but not in the government funds.	65,657
Increase in pension liability reported in the Statement of Activities does not require the use of resources, and therefore, is not reported in the fund statements until it comes due for payment.	80,478
The State pension grant is recognized as revenue in the year the grant impacts the change in Net Pension Liability, and therefore, is reported as revenue in the Statement of Activities.	180,242
Change in Net Position of governmental activities	$ 2,492,981

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

ANTRIM COUNTY ROAD COMMISSION
FIDUCIARY FUND
STATEMENT OF NET POSITION
DECEMBER 31, 2024

	OPEB Trust
Assets	
Investments at Fair Market Value	$ 69,058
Net Position	
Restricted for Other Post Employment Benefits and Pension	$ 69,058

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

ANTRIM COUNTY ROAD COMMISSION
FIDUCIARY FUND
STATEMENT OF CHANGES IN NET POSITION
FOR THE YEAR ENDED DECEMBER 31, 2024

	OPEB Trust
Additions	
Contributions:	
Employer	$ 94,694
Investment Earnings:	
Interest and Dividends	1,443
Total Additions	96,137
Deductions	
Distributions	83,594
Administrative Fees	-
Total Deductions	83,594
Change in net position	12,543
Net Position Restricted for Other Post Employment Benefits and Pension	
Net position, beginning of year	56,515
Net position, end of the year	$ 69,058

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

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

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

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

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

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

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

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include: (1) charges to customers or applicants who purchase, use or directly benefit from goods, services or privileges provided by a given function or segment; and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenue.

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

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

MEASUREMENT FOCUS/BASIS OF ACCOUNTING – FUND FINANCIAL STATEMENTS - Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenue is recognized as soon as it is both measurable and available. Revenue is considered to be available if it is collected within the current period or soon enough thereafter to pay liabilities for the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

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

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

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

INVENTORY - Inventories consisting of equipment parts and supplies of $194,270 and road materials of $880,729, are recognized using the consumption method (inventories are recorded as expenditures when they are used). Inventories are recorded at average cost which approximates market.

CAPITAL ASSETS - Capital assets, which include property, plant, equipment, infrastructure assets (e.g., roads, bridges and similar items), are reported in the operating fund in the government-wide financial statements. Capital assets are defined by Antrim County Road Commission as assets with an initial individual cost of more than $1,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost purchase or construction. Donated capital assets are recorded at estimated fair market value at the date of donation.

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

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

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

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

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

DEFERRED OUTFLOWS OF RESOURCES - In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The Road Commission has pension and OPEB items that qualify for reporting in this category.

DEFERRED INFLOWS OF RESOURCES - In addition to liabilities, the statement of net position and governmental funds balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The Road Commission has bond premium and pension items that qualify for reporting in this category.

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

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

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

NOTE B - CASH AND INVESTMENTS

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

Balance Sheet Accounts		Cash Items	
General Operating:			
Cash and Equivalents	$ 1,428,876	Imprest Cash	$ 200
Investments	1,029,684	Checking & Savings	1,428,676
Fiduciary:		Investments	1,029,684
Cash and Equivalents	69,058	Now Accounts	69,058
	$ 2,527,618		$ 2,527,618

As of December 31, 2024, the Road Commission had the following investments:

Investment Type	Reported Amount (Fair Value)
Money Market Funds:	
*Goldman Sachs Treasury MM	$ 1,029,684

*Ratings were not available.

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

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

NOTE B – CASH AND INVESTMENTS (CONTINUED)

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

Interest rate risk.

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

Credit risk.

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

Custodial Deposit Credit Risk.

Custodial deposit credit risk is the risk that in the event of a bank failure, the Road Commission's deposits may not be returned. State law does not require and the Road Commission does not have a policy for deposit custodial credit risk. As of year-end, $1,278,173 of the Road Commission's bank balance of $1,597,231 was exposed to credit risk because it was uninsured or uncollateralized.

Fair value measurement.

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

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

NOTE C – CAPITAL ASSETS

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

	Balance 1/1/2024	Additions	Deletions	Balance 12/31/2024
Capital Assets Not Being Depreciated:				
Land	$ 261,759	$ -	$ -	$ 261,759
Infrastructure and Land Improvements	22,042,438	441,922	-	22,484,360
Subtotal	22,304,197	441,922	-	22,746,119
Capital Assets Being Depreciated:				
Buildings	6,729,878	132,663	-	6,862,541
Road Equipment	10,579,375	752,037	-	11,331,412
Shop Equipment	337,139	2,888	-	340,027
Office Equipment	173,075	8,872	-	181,947
Engineers Equipment	114,471	-	-	114,471
Yard & Storage Equipment	1,049,391	-	-	1,049,391
Infrastructure - Bridges	2,212,613	574,977	-	2,787,590
Infrastructure - Roads	33,182,670	1,480,549	-	34,663,219
Total	54,378,612	2,951,986	-	57,330,598
Less Accumulated Depreciation:				
Buildings	1,772,729	174,148	-	1,946,877
Road Equipment	8,756,261	666,230	-	9,422,491
Shop Equipment	246,534	19,184	-	265,718
Office Equipment	135,988	15,870	-	151,858
Engineers Equipment	78,845	5,638	-	84,483
Yard & Storage Equipment	1,001,513	8,488	-	1,010,001
Infrastructure - Bridges	920,543	61,032	-	981,575
Infrastructure - Roads	12,654,700	1,770,274	-	14,424,974
Total	25,567,113	2,720,864	-	28,287,977
Net Capital Assets Being Depreciated	28,811,499	231,122	-	29,042,621
Total Net Capital Assets	$ 51,115,696	$ 673,044	$ -	$ 51,788,740

Total depreciation expense for the year ended December 31, 2024, is $2,720,864.

NOTE D - PENSION PLAN

Description of Plan and Plan Assets

The Road Commission is in an agent multiple-employer defined benefit pension plan with the Municipal Employees' Retirement System (MERS). The system provides the following provisions: normal retirement, deferred retirement and service retirement to plan members and their beneficiaries. The service requirement is computed using credited service at the time of termination of membership multiplied by the sum of 2.50% times the final compensation (FAC). The most recent period of which actuarial data was available was for year ended December 31, 2023.

General Information about the Pension Plan

Plan Description. The employer's defined benefit pension plan provides certain retirement, disability and death benefits to plan members and beneficiaries. The employer participates in the Municipal Employees Retirement System (MERS) of Michigan. MERS is an agent multiple-employer, statewide public employee pension plan established by the Michigan Legislature under Public Act 135 of 1945 and administered by a nine-member Retirement Board. MERS issues a publicly available financial report that includes financial statements and required supplementary information. This report may be obtained accessing the MERS website at www.mersofmich.com.

01 - Gen Union: Closed to New Hires

	2023 Valuation
Benefit Multiplier:	2.5% Multiplier (80% max)
Normal Retirement Age:	60
Vesting:	10 years
Early Retirement (Unreduced):	55/30
Early Retirement (Reduced):	50/25
	55/15
Final Average Compensation:	5 years
Employee Contributions:	3%
RS50% Percentage:	50%
Act 88:	No

11 - Gen Union after 7/1/17: Closed to New Hires

	2023 Valuation
Benefit Multiplier:	2% Multiplier (no max)
Normal Retirement Age:	60
Vesting:	10 years
Early Retirement (Unreduced):	-
Early Retirement (Reduced):	50/25
	55/15
Final Average Compensation:	3 years
Employee Contributions:	3%
Act 88:	No

10 - Gen Non-Union: Closed to New Hires

	2023 Valuation
Benefit Multiplier:	2.5% Multiplier (80% max)
Normal Retirement Age:	60
Vesting:	10 years
Early Retirement (Unreduced):	55/30
Early Retirement (Reduced):	50/25
	55/15
Final Average Compensation:	3 years
Employee Contributions:	3%
RS50% Percentage:	50%
Act 88:	No

NOTE D - PENSION PLAN (CONTINUED)

Employees Covered by Benefit Terms

At December 31, 2024, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	47
Inactive employees or beneficiaries entitled but not yet receiving benefits	6
Active employees	24
Total Employees covered by MERS Plan	77

Funding Policy

The obligation to contribute to and maintain the system for these employees was established by negotiation with the Road Commission's competitive bargaining unit and personnel policy, which require employees to contribute to the plan. The Road Commission is required to contribute at an actuarially determined rate of $39,064, $25,923, and $654 of monthly payroll for union and nonunion employees, respectively.

In 2023, the Road Commission received a grant from the "Protecting MI Pension Grant Program" of $180,242, which was paid directly to MERS on the Road Commission's behalf. These funds are reflected in the December 31, 2023, actuarial valuation

Net Pension Liability

The Road Commission's net pension liability was measured as of December 31, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2023.

Actuarial Assumptions. The total pension liability in the December 31, 2023, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50%
Salary increases	3.00%
Investment rate of return	6.93% net of interest and administrative expense including inflation

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

The actuarial assumptions used in valuation were based on the results of the most recent actuarial experience study of 2021.

NOTE D - PENSION PLAN (CONTINUED)

The long-term expected rate of return on pension plan investments was determined using a model method in which the best-estimate ranges of expected future real rates of return (expected returns, net of investment and administrative expenses and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Nominal Rate of Return	Expected Nominal Return Asset Class	Inflation Assumption	Expected Real Return Asset Class
Global Equity	60.0%	7.00%	4.20%	2.50%	2.70%
Global Fixed Income	20.0%	4.66%	0.93%	2.50%	0.40%
Private Investments	20.0%	9.00%	1.80%	2.50%	1.40%
Total	100.0%		6.93%		4.43%

Discount Rate. The discount rate used to measure the total pension liability is 7.18%. The projection of cash flows used to determine the discount rate assumes that employer and employee contributions will be made at the rates agreed upon for employees and the actuarially determined rates for employers. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to pay all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Changes in the Net Pension Liability:

	Increase (Decrease)		
Changes in Net Pension Liability	**Total Pension Liability (a)**	**Plan Fiduciary Net Position (b)**	**Net Pension Liability (a)-(b)**
Balance at 12/31/2023	$ 17,185,296	$ 10,308,232	$ 6,877,064
Changes for the Year:			
Service Cost	147,714	-	147,714
Interest	1,202,105	-	1,202,105
Changes in benefits	-	-	-
Differences between expected and actual experience	382,984	-	382,984
Change in assumptions	117,886	-	117,886
Contributions: employer	-	927,818	(927,818)
Contributions: employees	-	41,368	(41,368)
Net investment income	-	771,740	(771,740)
Benefit payments, including refunds	(1,033,483)	(1,033,483)	-
Administrative expense	-	(23,022)	23,022
Other changes	(73,704)	-	(73,704)
Net Changes	743,502	684,421	59,081
Balance at 12/31/2024	$ 17,928,798	$ 10,992,653	$ 6,936,145

NOTE D - PENSION PLAN (CONTINUED)

Sensitivity of the net pension liability to changes in the discount rate. The following presents the net pension liability of the Road Commission, calculated using the discount rate of 7.18% as well as what the Road Commission's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.18%) or 1-percentage-point higher (8.18%) than the current rate:

	1% Decrease	Current Discount Rate	1% Increase
Total Pension Liability	$ 19,767,945	$ 17,928,798	$ 16,362,086
Fiduciary Net Position	10,992,653	10,992,653	10,992,653
Net Pension Liability	$ 8,775,292	$ 6,936,145	$ 5,369,433

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

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

For the year ended December 31, 2024, the Road Commission recognized pension expense of $847,340. At December 31, 2024, the Road Commission reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 191,492	$ -
Changes in assumptions	58,943	-
Net difference between projected and actual earnings on pension plan investments	727,392	387,094
Total	$ 977,827	$ 387,094

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

Years Ending December 31,	Amount
2025	$ 404,161
2026	278,608
2027	(85,087)
2028	(6,949)

NOTE E - LONG TERM DEBT

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

Changes in Long-Term Debt

Description	Balance 1/1/2024	Additions	Reductions	Balance 12/31/2024	Due Within One Year
2022 Capital Improvement Bonds	$ 3,745,000	$ -	$ 155,000	$ 3,590,000	$ 160,000
Lease Purchase - Grader	288,804	-	288,804	-	-
Vested Employee Benefit Payable	154,592	36,576	5,907	185,261	118,624
Totals	$ 4,188,396	$ 36,576	$ 449,711	$ 3,775,261	$ 278,624

2022 Capital Improvement Bonds

On January 6, 2022, the County of Antrim, Michigan executed Capital Improvement Bonds in the amount of $3,875,000 for the benefit of the Road Commission for the purpose of a new maintenance facility located at Central Lake, Michigan. The net proceeds included a reoffering premium of $161,179 which will be amortized over 20 years. The annual premium amortization of $8,059 is recognized as interest in the Statement of Activities. The bonds are payable through October 1, 2042, with a variable interest rate of 2.0% to 3.0%. The amount of interest expense included as a direct functional expense in the Statement of Activities for the year was $105,739.

Annual Debt Service Requirements:

Year	Amount
2025	240,331
2026	240,456
2027	240,431
2028	240,256
2029	239,931
2030	239,456
2031	239,781
2032	240,931
2033	241,981
2034-2042	2,157,256
Total Payments	4,320,810
Less - Interest and fees	(730,810)
Net Balance Due	$ 3,590,000

NOTE E - LONG TERM DEBT (CONTINUED)

Lease Purchase – 2023 Grader

On January 5, 2024, the Road Commission entered into a lease purchase agreement with Deere Credit, Inc for the purchase of a 2023 John Deere 672G Motor Grader in the amount of $365,635. The lease terms include interest of 2.5% and annual payments of $76,831 through January 6, 2027. The Road Commission exercised its option to buyout the lease agreement during 2024 with a final payment of $296,397, including interest of $7,593.

Vested Employee Benefits

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

Road Commission employment policies provide for vacation and personal benefits to be earned in varying amounts depending on the employee's years of service. New employees are eligible for vacation benefits after 1 year of service, and vacation benefits accrue each July 1st and are paid a prorated share for unused vacation days. Employees hired before July 1, 2014 may accumulate up to a maximum of 200 hours of vacation benefits. Employees hired after July 1, 2014 may accumulate up to a maximum of 160 hours of vacation benefits. Personal days are paid to a maximum of 112 hours.

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

NOTE F - EXCESS EXPENDITURES OVER APPROPRIATIONS

Public Act 621 of 1978, section 18 (1), as amended, provides that a County Road Commission shall not incur expenditures in excess of amounts appropriated. As presented in the financial statements for the year ended December 31, 2024, the County Road Commission incurred expenditures in certain areas which were in excess of the amounts appropriated as follows:

	Total Appropriations	Amount of Expenditures	Budget Variance
Local Road:			
Maintenance	$ 4,425,000	$ 4,442,282	$ (17,282)
Interest Expense	$ 111,000	$ 113,333	$ (2,333)

The Road Commission does not use encumbrances for budgetary purposes. During the year ended December 31, 2024, the Road Commissioners made one amendment to the General Operating Fund Budget.

NOTE G - RISK MANAGEMENT

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

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

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

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

During 2024 and the previous two years, there were no settlements which exceeded the respective insurance coverage. In addition, there has been no reduction in insurance coverage from the prior year.

NOTE H - FEDERAL FINANCIAL ASSISTANCE

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

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

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

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

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

Funding Policy - Contribution requirements are negotiated between the Commission and employees. The Commission contributes 100% of the cost for eligible plan members. For fiscal year 2024, the Commission contributed $94,694 to the plan.

Employees Covered by Benefit Terms

As of December 31, 2024, the following employees were covered by the benefit terms:

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

Actuarial assumptions and other inputs - The total OPEB liability was determined by an actuarial valuation as of December 31, 2023 rolled forward to December 31, 2024. The following Actuarial Assumptions were used in measurement:

Inflation	Included in Investment Rate of Return
Salary Increases	6.00% for all active participants except for two that have a salary scale of 4.00%
Investment rate of return	2.50% (including inflation)
20-year Aa municipal bond rate	4.28%
Mortality	2010 Public General Employees and Healthy Retirees, headcount weighted
Improvement Scale	IRS 2024 Adjusted Scale MP-2021

The long-term expected rate of return on plan investments was determined using a building-block method in which best-estimate ranges of expected future rates of return (expected returns, net of retirement plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic rates of return for each major asset class included in the retirement plan's target asset allocation as of December 31, 2024, are summarized in the following table:

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

Asset Class	Target Allocation	Long-term Expected Real Rate of Return
Checking Account	100.00%	2.50%

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

Discount Rate

The discount rate used to measure the total OPEB liability was 2.50%. The projection of cash flows used to determine the discount rate assumed that the Road Commission will make annual contributions of $11,100 and continue to pay retiree benefits from general operating funds until assets are sufficient to pay benefits. Based on this assumption, the retirement plan's fiduciary net position was projected to be sufficient to make projected future benefit payments of current plan members. For projected benefits that are covered by projected assets, the long-term expected rate was used to discount the projected benefits. From the year that benefit payments were not projected to be covered by the projected assets (the "depletion date", not applicable for this plan), projected benefits were discounted at a discount rate reflecting a 20-year AA/Aa tax-exempt municipal bond yield. A single equivalent discount rate that yields the same present value of benefits is calculated. This discount rate is used to determine the Total OPEB Liability. As of December 31, 2023, the discount rate used to value OPEB liabilities was 2.50%.

	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability
Balance at 12/31/2023	$ 2,387,458	$ 56,515	$ 2,330,943
Changes for the Year:			
Service Cost	19,795	-	19,795
Interest	59,136	-	59,136
Experience (Gains)/Losses	(48,816)	-	(48,816)
Change in assumptions	-	-	-
Contributions to OPEB trust	-	11,100	(11,100)
Contributions/benefit paid from general operating funds	-	83,594	(83,594)
Net investment income	-	1,443	(1,443)
Benefit payments including refunds of employee contributions	(83,594)	(83,594)	-
Net Changes	(53,479)	12,543	(66,022)
Balance at 12/31/2024	$ 2,333,979	$ 69,058	$ 2,264,921

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

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

	Discount		
	1% Decrease	Current Rate	1% Increase
Total Pension Liability	$ 2,624,469	$ 2,333,979	$ 2,095,290
Fiduciary Net Position	69,058	69,058	69,058
Net Pension Liability	$ 2,555,411	$ 2,264,921	$ 2,026,232

OPEB Expense

Components of Road Commission's OPEB Expense for the fiscal year ending December 31, 2024, are as follows:

Service Cost	$ 19,795
Interest on Total OPEB Liability	59,136
Experience (Gains) / Losses	(48,816)
Changes in Assumptions	-
Projected Earnings on OPEB Plan Investments	(1,552)
Investment Earnings (Gains) / Losses	474
Administrative Expense	-
Total OPEB Expense	$ 29,037

Deferred Outflows and Inflows of Resources Related to OPEB Plan

	Deferred Outflows of Resources	Deferred Inflows of Resources
Experience (Gains) / Losses	$ -	$ -
Changes in Assumptions	-	-
Investment Earnings (Gains) / Losses	807	-
Total	$ 807	$ -

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

Year Ended December 31,	Amount	Year Ended December 31,	Amount
2025	$ 410	2028	21
2026	278	2029	-
2027	98	Thereafter	-

NOTE J - FUND BALANCE CLASSIFICATIONS

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

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

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

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

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

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

Fund Balance Classification Policies and Procedures

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

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

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

NOTE K - ADVANCES

State equipment purchase advance is determined by a formula applied to the book value of equipment of the previous fiscal year. This amount is adjusted each fiscal year in accordance with the formula and would be refunded to the State Department of Transportation upon termination of the State Highway Maintenance Contract. At December 31, 2024, the amount was $235,438.

During 2024, the State had advanced $74,424 on the routine maintenance agreement, which would be refunded to the State Department of Transportation upon termination of the contract.

NOTE L – ACCRUED INTEREST

For the year ending December 31, 2024, the Road Commission accrued interest expense of $20,683 related to the 2022 capital improvement bonds.

NOTE M – UNEARNED REVENUE

For the year ending December 31, 2024, the Road Commission had $51,105 in forest funds received from the state of Michigan, but not yet spent.

REQUIRED SUPPLEMENTAL INFORMATION

ANTRIM COUNTY ROAD COMMISSION
STATEMENT OF REVENUES - BUDGETARY COMPARISON SCHEDULE
TWELVE MONTHS ENDED DECEMBER 31, 2024

	Original Budget	Final Amended Budget	Actual	Variance Favorable (Unfavorable)
Licenses and Permits	$ 95,000	$ 86,000	$ 48,812	$ (37,188)
State Sources				
Michigan Transportation Fund				
Engineering	10,000	10,000	10,000	-
Allocation	6,320,000	7,800,000	6,581,201	(1,218,799)
Snow Removal	575,000	632,982	632,982	-
Other				
Sale of Federal Aid	510,000	537,300	537,300	-
Economic Development Fund				
Rural Primary (D)	-	376,417	-	(376,417)
Forest Road	51,103	51,103	-	(51,103)
Contributions from Local Units				
Townships	2,210,000	2,800,000	2,657,238	(142,762)
Other	-	-	4,320	4,320
Charges for Services				
State Trunkline Maintenance/ Non-Maintenance	820,000	1,152,005	1,354,329	202,324
Salvage Sales	-	-	7,770	7,770
Interest and Rents	-	-	45,578	45,578
Other Revenue				
Contributions from Private Sources	-	-	478,107	478,107
Gain (Loss) on Disposal of Equipment	-	-	-	-
Total Revenue	$ 10,591,103	$ 13,445,807	$ 12,357,637	$ (1,088,170)

ANTRIM COUNTY ROAD COMMISSION
STATEMENT OF EXPENDITURES - BUDGETARY COMPARISON SCHEDULE
TWELVE MONTHS DECEMBER 31, 2024

	Original Budget	Final Amended Budget	Actual	Variance Favorable (Unfavorable)
Primary Road				
Preservation - Structural Improvements	$ 2,600,000	$ 1,600,000	$ 1,235,079	$ 364,921
Maintenance	1,700,000	3,200,000	1,936,122	1,263,878
Local Road				
Preservation - Structural Improvements	1,800,000	1,600,000	1,262,369	337,631
Maintenance	2,800,000	4,425,000	4,442,282	(17,282)
State Trunkline Maintenance/ Non-Maintenance	950,000	1,750,000	1,186,465	563,535
Administrative Expense - Net	630,000	1,174,000	727,237	446,763
Equipment Expense - Net	450,000	700,000	(68,725)	768,725
Capital Outlay - Net	477,000	200,000	6,902	193,098
Long-Term Debt Payments	466,668	444,000	443,804	196
Interest Expense	-	111,000	113,333	(2,333)
Total Expenditures	$ 11,873,668	$ 15,204,000	$ 11,284,868	$ 3,919,132

ANTRIM COUNTY ROAD COMMISSION
SCHEDULE OF CHANGES IN PENSION LIABILITY
YEAR ENDED DECEMBER 31, 2024

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Service cost	$ 147,714	$ 146,931	$ 127,788	$ 157,125	$ 175,261	$ 177,272	$ 165,806	$ 165,238	$ 152,349	$ 150,184
Interest on total pension liability	1,202,105	1,184,640	1,103,289	1,145,764	1,096,659	1,106,582	1,084,955	1,036,197	1,011,984	987,193
Changes in benefit terms	-	-	-	(191,953)	-	-	(458)	-	589,653	-
Difference between expected and actual experience	382,984	29,247	210,705	(405,885)	(206,224)	110,215	(124,605)	248,105	(229,531)	-
Changes in assumptions	117,886	-	609,088	364,941	433,983	-	-	-	-	-
Other Changes	(73,704)	85,562	99,911	73,295	91,076	89,391	(31,842)	(31,884)	(24,375)	(12,464)
Benefit payments including employee refunds	(1,033,483)	(1,054,949)	(1,021,602)	(951,774)	(919,351)	(850,668)	(807,833)	(809,097)	(831,957)	(819,043)
Net change in total pension liability	743,502	391,431	1,129,179	191,513	671,404	632,792	286,023	608,559	668,123	305,870
Total pension liability - beginning	17,185,296	16,793,865	15,664,686	15,473,173	14,801,769	14,168,977	13,882,954	13,274,395	12,606,272	12,300,402
Total pension liability - ending	$ 17,928,798	$ 17,185,296	$ 16,793,865	$ 15,664,686	$ 15,473,173	$ 14,801,769	$ 14,168,977	$ 13,882,954	$ 13,274,395	$ 12,606,272
Plan fiduciary net position										
Contributions - employer	$ 927,818	$ 1,043,132	$ 841,449	$ 1,037,608	$ 872,309	$ 875,645	$ 876,622	$ 795,116	$ 688,212	$ 662,974
Contributions - employee	41,368	39,747	38,762	39,775	45,098	46,362	47,020	15,608	-	(2,306)
Net investment income	771,740	1,039,309	(1,088,264)	1,297,602	1,053,454	967,670	(292,707)	848,217	663,785	(89,576)
Benefit payments, including employee refunds	(1,033,483)	(1,054,949)	(1,021,602)	(951,774)	(919,351)	(850,668)	(807,833)	(809,097)	(831,957)	(819,043)
Administrative expenses	(23,022)	(21,944)	(19,396)	(14,885)	(16,402)	(16,664)	(14,207)	(13,409)	(13,118)	(13,323)
Net change in plan fiduciary net position	684,421	1,045,295	(1,249,051)	1,408,326	1,035,108	1,022,345	(191,105)	836,435	506,922	(261,274)
Total plan fiduciary net position - beginning	10,308,232	9,262,937	10,511,988	9,103,662	8,068,554	7,046,209	7,237,314	6,400,879	5,893,957	6,155,231
Total plan fiduciary net position - ending	$ 10,992,653	$ 10,308,232	$ 9,262,937	$ 10,511,988	$ 9,103,662	$ 8,068,554	$ 7,046,209	$ 7,237,314	$ 6,400,879	$ 5,893,957
Road Commission's net pension liability	$ 6,936,145	$ 6,877,064	$ 7,530,928	$ 5,152,698	$ 6,369,511	$ 6,733,215	$ 7,122,768	$ 6,645,640	$ 6,873,516	$ 6,712,315
Plan fiduciary net position as a percentage of the total pension liability	61.31%	59.98%	55.16%	67.11%	58.84%	54.51%	49.73%	52.13%	48.22%	46.75%
Covered employee payroll	$ 1,353,481	$ 1,387,999	$ 1,326,913	$ 1,459,608	$ 1,561,249	$ 1,562,778	$ 1,525,367	$ 1,489,486	$ 1,403,749	$ 1,429,116
Employer's Net Pension Liability as a percentage of covered payroll	512.47%	495.47%	567.55%	353.02%	407.98%	430.85%	466.95%	446.17%	489.65%	469.68%

Notes to schedule:

** The schedule is based on a calendar year measurement date.

** In 2023, the total employer contribution was $1,043,132. Included in this amount is $180,242 received from the State of Michigan, a nonemployer contributing entity, for the "Protecting MI Pension Grant Program". The total contribution from the employer for 2023, excluding the state grant, was $862,890.

ANTRIM COUNTY ROAD COMMISSION
SCHEDULE OF PENSION CONTRIBUTION
YEAR ENDED DECEMBER 31, 2024

	Calendar Year									
	2024	**2023**	**2022**	**2021**	**2020**	**2019**	**2018**	**2017**	**2016**	**2015**
Actuarially determined contribution	$ 787,692	$ 729,725	$ 712,620	$ 713,184	$ 660,276	$ 602,376	$ 623,664	$ 617,664	$ 518,232	$ 479,544
Contributions in relation to the actuarially determined contribution	927,818	862,890	841,449	1,037,608	872,309	875,645	876,622	795,116	688,212	662,974
Contribution excess (deficiency)	$ 140,126	$ 133,165	$ 128,829	$ 324,424	$ 212,033	$ 273,269	$ 252,958	$ 177,452	$ 169,980	$ 183,430
Covered-employee payroll	$ 1,353,481	$ 1,387,999	$ 1,326,913	$ 1,561,249	$ 1,562,778	$ 1,525,367	$ 1,489,486	$ 1,403,749	$ 1,429,116	$ 1,316,387
Actuarially determined contributions as a percentage of covered-employee payroll	58.20%	52.57%	53.71%	45.68%	42.25%	39.49%	41.87%	44.00%	36.26%	36.43%

Notes to Schedule

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

Nonemployer Contribution: A pension grant in the amount of $180,242 was received from the State of Michigan, a nonemployer contributing entity, for the "Protecting MI Pension Grant Program". This amount is excluded from the 2023 contributions in relation to the actuarially determined contribution as the grant was not factored into the actuarial calculation.. For 2023, the total employer contribution in relation to the actuarially determined contribution, excluding the state grant, was $862,890.

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry-age normal
Amortization method	Level percentage of payroll, open
Remaining amortization period	15 years
Asset valuation method	10-year smoothed marked
Inflation	2.50%
Salary increases	3.00%
Investment rate of return	6.93%, net of pension plan investment expense including inflation

ANTRIM COUNTY ROAD COMMISSION
SCHEDULE OF CHANGES IN ROAD COMMISSION'S TOTAL OPEB LIABILITY AND RELATED RATIOS
FOR THE YEAR ENDING DECEMBER 31, 2024

	2024	2023	2022	2021	2020	2019	2018
Total OPEB Liability							
Service cost	$ 19,795	$ 24,751	$ 26,775	$ 33,080	$ 32,943	$ 26,135	$ 25,591
Interest	59,136	61,628	62,526	63,954	66,357	73,855	77,178
Changes in benefit terms	-	-	-	-	-	-	-
Difference between Expected and Actual Experience	(48,816)	(67,423)	(40,177)	(77,961)	(25,994)	(65,508)	(60,423)
Changes in assumptions	-	(29,668)	-	9,587	(89,867)	231,905	40,650
Benefit payments	(83,594)	(84,350)	(81,800)	(77,050)	(82,279)	(79,344)	(64,204)
Net change in total OPEB Liability	(53,479)	(95,062)	(32,676)	(48,390)	(98,840)	187,043	18,792
Total OPEB Liability - Beginning	2,387,458	2,482,520	2,515,196	2,563,586	2,662,426	2,475,383	2,456,591
Total OPEB Liability - Ending	2,333,979	2,387,458	2,482,520	2,515,196	2,563,586	2,662,426	2,475,383
Plan Fiduciary Net Position							
Contributions - employer	94,694	95,450	92,900	88,150	93,379	90,444	64,204
Net investment income	1,443	865	83	39	26	2	-
Benefits payments, including refunds of member contributions	(83,594)	(84,350)	(81,800)	(77,050)	(82,279)	(79,344)	(64,204)
Administrative expense	-	-	-	-	-	-	-
Net Change in Plan Fiduciary Net Position	12,543	11,965	11,183	11,139	11,126	11,102	-
Plan Fiduciary Net Position - Beginning of Year	56,515	44,550	33,367	22,228	11,102	-	-
Plan Fiduciary Net Position - End of Year	69,058	56,515	44,550	33,367	22,228	11,102	-
Net OPEB Liability - End of Year	$2,264,921	$2,330,943	$2,437,970	$2,481,829	$2,541,358	$2,651,324	$2,475,383
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	2.96%	2.37%	1.79%	1.33%	0.87%	0.42%	0.00%
Covered Employee Payroll	$1,090,922	$1,090,922	$1,277,880	$1,322,904	$1,091,754	$1,339,470	$1,280,133
Total OPEB Liability as a percentage of covered-employee payroll	207.62%	213.67%	190.78%	187.60%	232.78%	197.94%	193.37%
Actuarially Determined Contribution							
Actuarially Determined Contribution	$2,409,507	$2,524,289	$1,315,084	$1,352,432	$ 962,094	$ 692,864	$ 687,248
Employer Contribution	(94,694)	(95,450)	(92,900)	(88,150)	(93,379)	(90,444)	(64,204)
Contribution Deficiency/(Excess)	$2,314,813	$2,428,839	$1,222,184	$1,264,282	$ 868,715	$ 602,420	$ 623,044
Actuarially Determined Contribution as a Percentage of Covered Payroll	220.87%	231.39%	102.91%	102.23%	88.12%	51.73%	53.69%
Employer Contribution as Percentage of Covered Payroll	8.68%	8.75%	7.27%	6.66%	8.55%	6.75%	5.02%

ANTRIM COUNTY ROAD COMMISSION
STATE OF MICHIGAN PUBLIC ACTS 530 AND 202 INFORMATION
FOR THE YEAR ENDING DECEMBER 31, 2024

Financial Information		
Assets (Fiduciary Net Position)	$	69,058
Liabilities (Total OPEB Liability)		2,333,979
Funded ratio for the plan year		2.96%
Actuarially Determined Contribution	$	2,409,507
Is ARC calculated in compliance with No. Letter 2018-3?		Yes

Membership		
Active members		18
Retirees and beneficiaries		39
Premiums paid on behalf of the retirants	$	83,594

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

Uniform Assumptions		
Actuarial value of assets using uniform assumptions	$	69,058
Actuarial accrued liability using uniform assumptions		2,333,979
Funded ratio using uniform assumptions		2.96%
Actuarially determined contribution (ADC) using uniform assumptions	$	1,229,647

ANTRIM COUNTY ROAD COMMISSION
EMPLOYEE BENEFIT SYSTEM
ASSUMPTIONS AND METHODS FOR CALCULATION OF ACTUARIALLY DETERMINED CONTRIBUTIONS
FOR THE YEAR ENDING DECEMBER 31, 2024

Valuation Date	December 31, 2023
Measurement Date	December 31, 2024
Reporting Date	December 31, 2024

Actuarial Methods

Cost method	Entry Age Normal (level percentage of compensation)
Asset valuation method	Market value

Actuarial Assumptions

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

20-year Aa Municipal Bond Rate – 4.00%
Rationale – S&P Municipal Bond 20-Year High Grade Rate Index as of December 31, 2024

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

Return on plan assets - 2.50% (including inflation)
Rationale - Investment advisory

Mortality rates - Public General 2010 Employee and Healthy Retiree, Headcount weighted, IRS 2024 Adjusted Scale MP-2021
Rationale - Most current mortality rates available for municipalities

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

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

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

Retirement rates - 100% at earliest retirement eligibility
Rationale - Consistent with Road Commission experience

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

Retiree Annual costs

	Pre-65	Medicare eligible
Stipend Amount	$3,000	$2,400

Rationale – Per plan provisions

Medical inflation rate - N/A; stipend only provided

Implicit Subsidy - N/A; stipend only provided

Assumption changes since prior valuation
- None

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

ANTRIM COUNTY ROAD COMMISSION
EMPLOYEE BENEFIT SYSTEM
SCHEDULE OF AMORTIZATION OF DEFERRED OUTFLOWS/INFLOWS OF RESOURCES
FOR THE YEAR ENDING DECEMBER 31, 2024

Schedule of Difference between Expected and Actual Experience

Year	Difference between expected and actual experience	Recognition period (Years)	2024	2025	2026	2027	2028	2029	2030+	Deferred Outflow of Resources	Deferred Inflow of Resources
2024	$ (48,816)	1.00	$ (48,816)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Net recognized in OPEB expense			$ (48,816)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -

Schedule of Changes in Assumptions

Year	Changes in assumptions	Recognition period (Years)	2024	2025	2026	2027	2028	2029	2030+	Deferred Outflow of Resources	Deferred Inflow of Resources
2024	$ -	1.00	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Net recognized in OPEB expense			$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -

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

Year	Difference between projected and actual earnings on OPEB assets	Recognition period (Years)	2024	2025	2026	2027	2028	2029	2030+	Deferred Outflow of Resources	Deferred Inflow of Resources
2020	$ -	5.00	$ 65	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
2021	-	5.00	131	132	-	-	-	-	-	132	-
2022	-	5.00	178	178	178	-	-	-	-	356	-
2023	388	5.00	78	78	78	76	-	-	-	232	-
2024	109	5.00	22	22	22	22	21	-	-	87	-
Net recognized in OPEB expense			$ 474	$ 410	$ 278	$ 98	$ 21	$ -	$ -	$ 807	$ -

Total Deferred Outflow/(Inflow) of Resources

	2025	2026	2027	2028	2029	2030+
Total Deferred Outflow/(Inflow) of Resources	$ 410	$ 278	$ 98	$ 21	$ -	$ -

ANTRIM COUNTY ROAD COMMISSION
EMPLOYEE BENEFIT SYSTEM
REQUIRED SUPPLEMENTARY INFORMATION
SUMMARY OF PLAN PROVISIONS
FOR THE YEAR ENDING DECEMBER 31, 2024

Plan name - Antrim County Road Commission Retiree Health Care Plan

Eligibility requirement - Hired prior to July 1, 2014; age 55 with 10 years of service

Employee benefits

Retire prior to July 1, 1999
Eligible retiree and surviving spouse (if any) has $150 per month contributed towards the employee and spouse coverage

Retire between July 1, 1999 and July 1, 2003
Eligible retiree and surviving spouse (if any) has $200 per month contributed towards the employee and spouse coverage

Retire on or after July 1, 2003
Eligible retiree and surviving spouse (if any) has $250 per month contributed towards the employee and spouse coverage. At age 65, those receiving $250 changes to $200 per month for life.

Hired on or after July 1, 2014
No benefits available under this plan

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

Changes since prior valuation - None

SUPPLEMENTAL SCHEDULES

ANTRIM COUNTY ROAD COMMISSION
ANALYSIS OF CHANGES OF FUND BALANCES
FOR THE YEAR ENDED DECEMBER 31, 2024

	Primary Road Fund	Local Road Fund	County Road Fund	Totals
Total Revenues	$ 5,030,562	$ 5,330,060	$ 1,997,015	$ 12,357,637
Total Expenditures	3,414,547	6,130,883	1,739,438	11,284,868
Excess of Revenues Over (Under) Expenditures	1,616,015	(800,823)	257,577	1,072,769
Interfund Transfers	(800,000)	800,000	-	-
Fund Balance - January 1, 2024	73,532	11,646	3,462,568	3,547,746
Fund Balance - December 31, 2024	$ 889,547	$ 10,823	$ 3,720,145	$ 4,620,515

ANTRIM COUNTY ROAD COMMISSION
ANALYSIS OF REVENUES
FOR THE YEAR ENDED DECEMBER 31, 2024

	Primary Road Fund	Local Road Fund	County Road Fund	Totals
Licenses and Permits	$ -	$ -	$ 48,812	$ 48,812
State Sources				
Michigan Transportation Fund				
Engineering	5,992	4,008	-	10,000
Allocation	3,943,621	2,637,580	-	6,581,201
Snow Removal	281,982	351,000	-	632,982
Other				
Sale of Federal Aid	-	-	537,300	537,300
Economic Development Fund				
Rural Primary (D)	-	-	-	-
Forest Road	-	-	-	-
Contributions from Local Units				
Townships	798,023	1,859,215	-	2,657,238
Other	-	-	4,320	4,320
Charges for Services				
State Trunkline Maintenance/ Non-Maintenance	-	-	1,354,329	1,354,329
Salvage Sales	-	-	7,770	7,770
Interest and Rents	944	150	44,484	45,578
Other Revenue				
Contributions from Private Sources	-	478,107	-	478,107
Gain (Loss) on Equipment Disposals	-	-	-	-
Total Revenue	$ 5,030,562	$ 5,330,060	$ 1,997,015	$ 12,357,637

ANTRIM COUNTY ROAD COMMISSION
ANALYSIS OF EXPENDITURES
FOR THE YEAR ENDED DECEMBER 31, 2024

	Primary Road Fund	Local Road Fund	County Road Fund	Totals
Primary Road				
Preservation - Structural Improvements	$ 1,235,079	$ -	$ -	$ 1,235,079
Maintenance	1,936,122	-	-	1,936,122
Local Road				
Preservation - Structural Improvements	-	1,262,369	-	1,262,369
Maintenance	-	4,442,282	-	4,442,282
State Trunkline Maintenance/ Non-Maintenance	-	-	1,186,465	1,186,465
Administrative Expense - Net	259,830	467,407	-	727,237
Equipment Expense - Net	(16,484)	(41,175)	(11,066)	(68,725)
Capital Outlay - Net	-	-	6,902	6,902
Long-Term Debt Payments	-	-	443,804	443,804
Interest Expense	-	-	113,333	113,333
Total Expenditures	$ 3,414,547	$ 6,130,883	$ 1,739,438	$ 11,284,868

TJW

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

March 31, 2025

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

I have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, and major fund of the Antrim County Road Commission, a component unit of Antrim County, Michigan, as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise the Antrim County Road Commission's basic financial statements and have issued my report thereon dated March 31, 2025.

Report on Internal Control over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

Purpose of this Report

The purpose of this report is solely to describe the scope of my testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Tyler Watters CPA

TYLER J. WATTERS, P.C.
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March 31, 2025

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

I have audited the financial statements of the governmental activities, major fund, and the aggregate remaining fund information of the Antrim County Road Commission, a component unit of Antrim County, Michigan, for the year ended December 31, 2024. Professional standards require that I provide you with information about my responsibilities under generally accepted auditing standards as well as certain information related to the planned scope and timing of my audit. I have communicated such information in my letter to you dated February 27, 2025. Professional standards also require that I communicate to you the following information related to my audit.

<u>Significant Audit Matters</u>

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Antrim County Road Commission are described in Note A to the financial statements. The Road Commission changed accounting policies related to compensated absences by adopting Statement of Governmental Accounting Standards (GASB Statement) No. 101, *Compensated Absences*. I noted no transactions entered into by the Road Commission during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimate affecting the Road Commission's financial statements was:

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

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

Difficulties Encountered in Performing the Audit

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

Corrected and Uncorrected Misstatements

Professional standards require me to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to each opinion unit's financial statements taken as a whole.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to my satisfaction, that could be significant to the financial statements or the auditor's report. I am pleased to report that no such disagreements arose during the course of my audit.

Management Representations

I have requested certain representations from management that are included in the management representation letter dated March 31, 2025.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the Antrim County Road Commission's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, my professional standards require the consulting accountant to check with me to determine that the consultant has all the relevant facts. To my knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

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

During the course of my audit of the basic financial statements of the Antrim County Road Commission for the year ended December 31, 2024, I noted the following items which I believe should be brought to your attention:

Parts & Materials Inventory

The Road Commission's goal is to conduct physical inventory counts on a quarterly basis. However, in 2024, a physical count of the parts inventory was not performed. All other inventory items were appropriately counted throughout the year. I recommend that a comprehensive physical inventory of parts be conducted at least annually, and preferably each quarter. Regular counts help identify and address discrepancies in a timely manner.

Additionally, the current practice of recording inventory counts in a single Excel spreadsheet results in previous counts being overwritten with each new entry. To ensure proper documentation and historical tracking, I recommend saving a separate copy of each completed inventory count.

Budgets

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

Public Act 621 of 1978, section 18 (1), as amended, provides that County Road Commission shall not incur expenditures in excess of amounts appropriated. As presented in the financial statements for the year ended December 31, 2024, the County Road Commission incurred expenditures, which were in excess of the amount appropriated as follows:

	Total Appropriations	Amount of Expenditures	Budget Variance
Local Road:			
Maintenance	$ 4,425,000	$ 4,442,282	$ (17,282)
Interest Expense	$ 111,000	$ 113,333	$ (2,333)

Other Matters

I applied certain limited procedures to the budgetary comparison schedules, the pension schedules, and the other post-employment benefit schedules and related ratios, which are a required supplementary information (RSI) that supplements the basic financial statements. My procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to my inquiries, the basic financial statements, and other knowledge I obtained during my audit of the basic financial statement. I did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

Restriction on Use

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

Tyler Watters CPA

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Certified Public Accountant