

August 29, 2025

Board of Commissioner
Alpena County
Alpena, MI 49707

We have reviewed the chief financial officer's letter dated August 29, 2025, and have compared the data in the letter to the Alpena County December 31, 2024, audited financial statements. The data in the letter was derived from the financial statements. The closure and post closure costs estimated liability is reported as \$6,367,138 as of December 31, 2024, in the Montmorency-Oscoda-Alpena Solid Waste Management Authority audit, while the estimated liability calculated using the State prescribed forms is shown as \$8,436,860 as of December 31, 2024. All other data supporting the ratio calculation is taken directly from the audited financial statements.

We have recomputed the cash and debt figures as presented in the chief financial officer's letter and also have recomputed the percentages derived in the liquidity ratio, debt service ratio and 43% test and find them to be materially correct.

Very truly yours

Straley Lamp & Kraenzlein, P.C.

**Alpena County
Liquidity Ratio
December 31, 2024**

	<u>Cash</u>	<u>Investments</u>	<u>Total</u>
Governmental Activities	\$ 16,599,907	\$ 536,535	\$ 17,136,442
Business Type Activities	6,188,640	1,886,563	8,075,203
Component Units	5,044,961	-	5,044,961
Total	<u>\$ 27,833,508</u>	<u>\$ 2,423,098</u>	<u>\$ 30,256,606</u>

**** The above numbers exclude Fiduciary Funds*

Expenditures:

Governmental Activities	\$ 23,532,627
Business Type Activities	496,622
Component Units	<u>14,578,795</u>
Total Expenditures	<u>\$ 38,608,044</u>

	<u>Liquid Assets</u>	<u>Expenses</u>	<u>Liquidity Ratio</u>
Liquidity Ratio Calculation:	\$ 30,256,606	/ \$ 38,608,044 =	<u><u>78%</u></u>

The above figures were taken from the Government Wide Financial Statements including the Statement of Net Position and the Statement of Activities and excludes transfers between funds for total expenditures.

Alpena County
Debt Service Ratio
December 31, 2024

Debt Service Expenditures:

Primary Government	
Principal	\$ 1,238,700
Interest	500,331
Component Units	
Principal	129,997
Interest	79,741
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Total Debt Service Expenditures	\$ 1,948,769

Expenditures:

Governmental Activities	\$ 23,532,627
Business Type Activities	496,622
Component Units	14,578,795
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Total Expenditures	\$ 38,608,044

	<u>Debt Service</u>	<u>Expenses</u>	<u>Debt Service</u>
			<u>Ratio</u>
Debt Service Ratio:	\$ 1,948,769 /	\$ 38,608,044 =	<u><u>5.05%</u></u>

Alpena County
Total Revenue - 43% Test
December 31, 2024

Total Annual Revenues:

Governmental Activities	\$ 46,183,670
Business Type Activities	906,891
Component Units	<u>14,085,409</u>
Total Revenues	<u>\$ 61,175,970</u>

43% of Total Revenue	<u><u>\$ 26,305,667</u></u>
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Closure & Post Closure

Costs - As Estimated	\$ 6,367,138	as of 12/31/2024
Per Audit	\$ 6,367,138	as of 12/31/2024
Per State Form	\$ 8,436,860	as of 12/31/2024

The sum of all environmental obligations is less than 43% of total revenue for all three counties combined.

Total revenue excludes transfers between funds and was taken from the Statement of Activities.