

## **Southwest Shiawassee Emergency Services Alliance**

Shiawassee County, Michigan

Financial Statements

December 31, 2024

with Independent Auditors' Report

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## **INDEPENDENT AUDITORS' REPORT**

To the Board of Trustees  
Southwest Shiawassee Emergency Services Alliance  
Perry, Michigan

### **Opinions**

We have audited the accompanying financial statements of the governmental activities and the general fund information of Southwest Shiawassee Emergency Services Alliance (SSESA) as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise the SSESA's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, and the general fund information of SSESA, as of December 31, 2024, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America (GAAP).

### **Basis for Opinions**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of SSESA, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### **Emphasis of Matter – Restatement of Prior Period Financial Statements**

As discussed in Note 9 of the financial statements, the Alliance restated its beginning net position to properly record capital assets, lease liability, and property taxes. Our opinion is not modified in respect to this.

### **Responsibilities of Management for the Financial Statements**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with GAAP, 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 SSESA'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.

## **Auditors' Responsibilities for the Audit of the Financial Statements**

Our 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 our 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 GAAS 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 GAAS, we:

- Exercise professional judgment 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 SSES'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 our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about SSES's ability to continue as a going concern for a reasonable period of time.

We are 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 we 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, budgetary comparison information, and schedule of changes in net pension (asset) liability and related ratios and schedule of employer contributions 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. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

*Clark, Schaefer, Hackett, & Co.*

East Lansing, Michigan  
October 13, 2025

The following is a discussion and analysis of Southwest Shiawassee Emergency Services Alliance's (the Alliance) financial performance and position, providing an overview of the activities for the year ended December 31, 2024. This analysis should be read in conjunction with the Report of Independent Auditors and with the Alliance's financial statements, which follow this section. This discussion and analysis provide comparisons with the previous year.

#### **Government-Wide**

- Total net position was \$1,057,831 as of December 31, 2024.

#### **Fund Level**

- At the close of the fiscal year, the Alliance reported an ending fund balance of \$792,131.
- The General Fund realized \$340,464 more in revenues than anticipated for the fiscal year. The General Fund expenditures were \$54,393 more than appropriated.
- Overall, the General Fund balance increased by \$412,497.

#### **Capital and Long-Term Debt Activities**

- The Alliance issued new debt of \$126,426 for ambulance equipment.
- During fiscal year 2024, the Alliance purchased \$131,388 of various fixed assets.

#### **Overview of the Financial Statements**

This discussion and analysis are intended to serve as an introduction to the Alliance's annual financial report. The annual financial report of the Alliance consists of the following components: Independent Auditors' Report, Management's Discussion and Analysis, the Basic Financial Statements (government-wide financial statement, fund financial statements, and notes to the financial statements), Required Supplementary Information such as budget to actual comparisons for the General Fund and pension schedules.

#### **Using this Annual Report**

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 Southwest Shiawassee Emergency Services Alliance as a whole and present a longer-term view of the Alliance's finances. This longer-term view uses the accrual basis of accounting so that it can measure the cost of providing services during the current year and whether the taxpayers have funded the full cost of providing government services. The fund financial statements present a short-term view; they tell us how the Alliance's resources were spent during the year, as well as how much is available for future spending. Fund financial statements also report the operations of the Southwest Shiawassee Emergency Services Alliance in more detail than the government-wide financial statements by providing information about the Alliance's one and only fund, the general fund.

#### **Notes to the Financial Statements**

The Notes to the Financial Statements provide additional information that is essential to obtain a full understanding of the detail provided in the government-wide and fund financial statements. The notes can be found beginning on page 14 of this report.

**Required Supplementary Information**

Following the Basic Financial Statements is additional Required Supplementary Information (RSI), which further explains and supports the information in the financial statements. RSI includes budgetary comparison schedules for the General Fund and pension schedules.

**Summary of Net Position**

The following summarizes the net position as of December 31, 2024 compared to December 31, 2023:

	Governmental Activities	
	December 31,	
	2024	2023, as restated
<b>Assets</b>		
Current assets	\$ 960,951	535,552
Capital assets, net of accumulated depreciation	728,881	815,599
Net pension asset	91,057	-
<b>Total assets</b>	<b>1,780,889</b>	<b>1,351,151</b>
Deferred outflows related to pension	197,982	236,481
<b>Liabilities</b>		
Current liabilities	335,788	230,575
Net pension liability	-	188,136
Notes payable, net of current portion	341,346	385,985
<b>Total liabilities</b>	<b>677,134</b>	<b>804,696</b>
Deferred inflows related to pension	243,906	83,815
<b>Net position</b>		
Restricted - Net pension asset	91,057	-
Net investment in capital assets	242,674	319,487
Unrestricted	724,100	379,634
<b>Total net position</b>	<b>\$ 1,057,831</b>	<b>699,121</b>

**Changes in Net Position**

The following shows changes in the Alliance's net position for the year ended December 31, 2024, compared to December 31, 2023:

	Governmental Activities	
	December 31,	
	2024	2023, as restated
<b>Revenues</b>		
Program revenues:		
Charges for services	\$ 1,211,695	1,000,225
General revenues		
Property taxes	294,574	227,036
Local Contributions - Ambulance	1,228,243	714,702
Local Contributions - Fire	125,083	131,080
Operating grants	59,008	40,000
Other revenues	37,132	288,064
Total revenues	2,955,735	2,401,107
<b>Expenses</b>		
Public safety	295,601	221,774
Health and welfare	2,178,762	2,429,826
Total expenses	2,474,363	2,651,600
Change in net position	\$ 481,372	(250,493)

**Governmental Activities**

The result of fiscal year ended December 31, 2024 governmental activities was an increase of \$481,372 in net position to \$1,057,831. Of the total governmental activities net position \$242,674 is invested in capital assets. The balance of \$724,100 is listed as unrestricted, having no legal commitment.

**Revenues**

The three largest revenue categories local contributions, charges for services, and property taxes. Local contributions consist of 46% of revenues, while charges for services were 41% and property taxes made up 10%. The largest was contributions from local municipalities in which the Alliance provides services for. The second largest, charges for services consist of medical and fire services provided. The third largest is property tax revenue in which they levy from Perry Township and the City of Perry.

**Expenses**

The health and welfare program makes up 86% of all expenses while the public safety program makes up about 14%. When broken down, salaries make up 56% of total expenditures, payroll benefits consist of 13% of total expenditures, and building and equipment repairs and purchases make up 13% of expenses.

**General Fund**

The General Fund is the chief operating fund of the Alliance. Unless otherwise required by statute, contractual agreement, or Board policy, all Alliance revenues and expenditures are recorded in the General Fund. As of December 31, 2024, the General Fund reported an unassigned fund balance of \$772,186. This amount is an increase of \$422,411 from the unassigned fund balance of \$355,680 reported as of December 31, 2023. The original budget called for no change in fund balance.

The net changes are summarized in the following chart:

Fund balance 12/31/24	\$ 792,131
Fund balances 12/31/23 as restated	<u>379,634</u>
Net change	<u>\$ 412,497</u>

**General Fund Budgetary Highlights**

The Alliance's budget is a dynamic document. Although adopted prior to October 1 each year, the budget is routinely amended during the course of the year to reflect changing operational demands.

Actual General Fund revenue totaled \$2,969,194, \$340,464 more than the final amended budget.

Actual Alliance expenditures for the year ended December 31, 2024 were \$54,393 over budget. General Fund actual expenditures came in at \$2,683,123, and the final budgeted amount was \$2,628,730.

**Capital Assets**

As of the end of the fiscal year, Alliance's primary government had invested \$728,881 net of accumulated depreciation, in a broad range of capital assets (see table below). Accumulated depreciation was \$1,533,108. Depreciation charges for the fiscal year totaled \$218,106. Additional information related to capital assets is detailed in Note 4 of the Financial Statements. Net book value of capital assets as of December 31, 2024 was as follows:

	<b>Governmental Activities</b>
Building improvements, net	52,237
Equipment, net	433,598
Vehicles, net	243,046
Capital assets, net	\$ 728,881

**Debt**

The Alliance added to their debt with two notes payable in the current year to purchase more equipment. SSESAs also paid down \$136,331 of debt in the current year. SSESAs started with \$496,122 of long-term debt and with the current year activity there is a balance of \$486,207 as of December 31, 2024, of which, \$144,861 is due within the next year.

**SSESAs Government Economic Outlook**

The Alliance's goal is to continually look for the most efficient and effective methods to maintain and enhance the services that are provided to the public. The Alliance has a conservative and financially prudent budget for the fiscal year 2025 that also promotes and funds numerous project objectives. The Alliance has deliberately made conservative estimates concerning charges for services for the fiscal year due to collectability concerns over the years. The Alliance has also recently increased charges for services fees significantly and implemented a new property tax and fee for capital outlay for fire protection services.

**Contacting the Alliance's Management**

This financial report is intended to provide our citizens, taxpayers, customers, and investors with a general overview of the Alliance's finances and demonstrate the Alliance's accountability for the money it receives. If you have questions about this report or need additional information, we encourage you to contact Alliance official at the Alliance Hall at (517) 625-7611.

Southwest Shiawassee Emergency Services Alliance  
Statement of Net Position  
December 31, 2024

<b>Assets</b>	
Cash and cash equivalents	\$ 220,718
Accounts receivable, net	420,391
Property taxes receivable	299,897
Prepaid expenses	<u>19,945</u>
	<u>960,951</u>
 <b>Non-Current Assets</b>	
Net pension asset	91,057
Capital assets, net	<u>728,881</u>
Total Assets	<u>1,780,889</u>
Deferred outflows of resources related to pension	197,982
 <b>Liabilities and Fund Balance</b>	
<b>Liabilities</b>	
Accounts payable	53,412
Accrued payroll and related liabilities	75,716
Accrued compensated absence	61,799
Note payable - current	<u>144,861</u>
Total current liabilities	335,788
 <b>Noncurrent liabilities</b>	
Note payable - long-term portion	341,346
Deferred inflows related to pension	<u>243,906</u>
Restricted - Net pension asset	91,057
Net investment in capital assets	242,674
Unrestricted	<u>724,100</u>
Total Net Position	<u>\$ 1,057,831</u>

See accompanying notes to the financial statements.

Southwest Shiawassee Emergency Services Alliance  
Statement of Activities  
For the Year Ended December 31, 2024

Functions/programs	Net (Expense) Revenue and Changes in Net Position			
	<u>Expenses</u>	<u>Program Revenues</u>	Primary Government	
		<u>Charges For Services</u>	<u>Operating Grants</u>	<u>Governmental Activities</u>
Primary government				
Governmental activities				
Public safety	\$ 295,601	9,658	-	(285,943)
Health and welfare	<u>2,178,762</u>	<u>1,202,037</u>	<u>59,008</u>	<u>(917,717)</u>
Total governmental activities	\$ <u>2,474,363</u>	<u>1,211,695</u>	<u>59,008</u>	<u>(1,203,660)</u>
General Revenues				
Property taxes				294,574
Local Contributions - Ambulance				1,228,243
Local Contributions - Fire				125,083
Other revenues				<u>37,132</u>
Total general revenues				<u>1,685,032</u>
Change in net position				481,372
Net position, January 1 as previously reported				693,438
Error correction				<u>(116,979)</u>
Net position, January 1 as restated				<u>576,459</u>
Net position, December 31				\$ <u>1,057,831</u>

See accompanying notes to the financial statements.

Southwest Shiawassee Emergency Services Alliance  
Balance Sheet – General Fund  
December 31, 2024

Assets	
Cash and cash equivalents	\$ 220,718
Accounts receivable, net	359,026
Property taxes receivable	299,897
Due from other governments	61,365
Prepaid expenses	<u>19,945</u>
Total assets	\$ <u><u>960,951</u></u>
Liabilities and Fund Balance	
Current Liabilities	
Accounts payable	\$ 53,412
Accrued Payroll and related liabilities	<u>75,716</u>
Total liabilities	<u>129,128</u>
Deferred Inflows of Resources	<u>39,692</u>
Fund Balance	
Nonspendable	19,945
Unassigned	<u>772,186</u>
Total fund balance	<u>792,131</u>
Total liabilities and fund balance	\$ <u><u>960,951</u></u>

See accompanying notes to the financial statements.

Southwest Shiawassee Emergency Services Alliance  
 Reconciliation of the Governmental Funds Balance Sheet  
 To the Statement of Net Position  
 December 31, 2024

Total fund balance - governmental funds	\$	792,131
<p>Amounts reported for governmental activities          in the statement of net position are different because:</p>		
Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in governmental funds. The cost of the assets is \$2,261,989 and the accumulated depreciation is \$1,533,108.		728,881
Net pension asset is not a financial resource and therefore is not reported in the funds. However, these amounts are included in the Statement of Net Position.		
Net pension asset		91,057
Deferred inflows of resources		(45,924)
Accrued vacation and sick time earned by eligible employees is not payable in the current period and therefore is not reported in the funds. However, these amounts are included in the Statement of Net Position		(61,799)
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds. However, these amounts are included in the statement of net position.		(486,207)
Property tax revenue recorded as a deferred inflows at the fund level but considered revenue in the government-wide financial statements.		<u>39,692</u>
Total net position of governmental activities	\$	<u>1,057,831</u>

See accompanying notes to the financial statements.

Southwest Shiawassee Emergency Services Alliance  
Statement of Revenues, Expenditures, and Changes in Fund Balance  
For the Year Ended December 31, 2024

Revenues	
Intergovernmental revenue	
Local - ambulance	\$ 1,228,243
Local - fire	125,083
Grant revenue	59,008
Property taxes	308,033
Charges for services	
Ambulance	1,211,695
Other revenues	<u>37,132</u>
Total revenues	2,969,194
Expenditures	
Public safety	181,567
Health and welfare	2,143,330
Capital outlay	221,895
Debt service	<u>136,331</u>
Total expenditures	2,683,123
Excess of revenues over expenditures	286,071
Other financing sources	
Note proceeds	<u>126,426</u>
Net change in fund balance	412,497
Fund balance, January 1 as previously reported	177,618
Error correction	<u>202,016</u>
Fund balance, January 1 as restated	<u>379,634</u>
Fund balance, December 31	<u>\$ 792,131</u>

See accompanying notes to the financial statements.

Southwest Shiawassee Emergency Services Alliance  
 Reconciliation of the Statement of Revenues, Expenditures and Changes  
 In Fund Balance of Governmental Fund to the Statement of Activities  
 For the Year Ended December 31, 2024

Net changes in fund balance - total governmental funds	\$	412,497
<p>Amounts reported for governmental activities in the statement of activities are different because:</p>		
<p>Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds</p>		
Change in compensated absences		(47,882)
Change in net pension liability (asset)		279,193
Change in deferred inflows and outflows - pension related		(198,590)
<p>Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is depreciated over their estimated useful lives.</p>		
Capital outlays		131,388
Less: current year depreciation		(218,106)
<p>Principal repayments of long-term debt are reported as expenditures in the fund financials. However, in the Statement of Net Position these are recorded as a decrease in liabilities.</p>		
		136,331
<p>Certain revenues that are not readily available as a financial resource are recorded as revenue in the government-wide financial statements but deferred inflows within the funds.</p>		
		<u>(13,459)</u>
Change in net position of governmental activities	\$	<u><u>481,372</u></u>

See accompanying notes to the financial statements.

## 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

The SSES (the "Alliance") operates under an appointed Alliance Board, which consists of five members. The Alliance provides services to Alliance members for fire and emergency medical services to the area it serves.

The accounting policies of the SSES conform to U.S. generally accepted accounting principles as applicable to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The following is a summary of the more significant policies.

### **Reporting Entity**

The Alliance has considered all potential component units in evaluating how to define the Alliance for financial reporting purposes. The decision to include a potential component unit in the reporting entity was made by applying the criteria set forth in Statement No. 14 of the Governmental Accounting Standards Board (GASB), *The Financial Reporting Entity*.

The criteria established by GASB for determining which of the Alliance's various organizations and activities are to be included in the reporting entity's financial statements include oversight responsibility, scope of public service, and special financial relationships. On this basis, the financial statements of the Alliance do not include any component units.

### **Government-Wide and Fund 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 nonfiduciary activities of the primary government of the SSES. Governmental activities, which are normally supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely, to a significant extent, on fees and charges for services.

The statement of activities demonstrates the degree to which the direct expenses of a 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 revenues.

### **Measurement Focus, Basis of Accounting, and Financial Statements**

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. The proprietary fund and fiduciary fund financial statements are also reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are reported when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenues as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. The length of time used for “available” for purposes of revenue recognition in the governmental fund financial statements is 60 days. Revenues are recognized as soon as they are both measurable and available. Revenues are considered available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. Expenditures are recorded when a liability is incurred, as under accrual accounting. However, debt service and compensated absences, and claims and judgments are recorded only when payment is due.

Property taxes, service fees, licenses and interest associated with the current fiscal period are all considered to be susceptible to accrual and have been recognized as revenues of the current fiscal period. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the SSES.

The SSES reports the following major governmental funds:

- The General Fund is the Alliance’s primary and only operating fund. It accounts for all financial resources of the general government.

**Cash and Cash Equivalents**

The Alliance’s cash is considered to be cash on hand, demand deposits, and non-negotiable certificates of deposit with an original maturity of three months or less. All investments are stated at fair market value.

**Receivables**

Receivables have been recognized for all significant amounts due the Alliance for charges for services, special assessments, and other various receivables. Management has booked an allowance for doubtful accounts in the amount of \$358,000.

**Due from Other Governmental Units**

Due from other governmental units consists of amounts due from the State of Michigan for various payments.

**Compensated Absences (Vacation and Sick Leave)**

Full-time employees accrue vacation time at a rate of 10 hours per month during the first 12 months of continuous service. After completing 12 months of employment, employees will then be granted vacation hours annually on January 1<sup>st</sup>, based on their completed years of service in the subsequent consecutive years. The maximum accumulation of vacation hours is 264 hours. SSES pays employees for unused vacation time.

Full-time employees are given one day a year of personal leave, not to be accumulated, except in the first year of employment when personal leave is given two hours per month.

Full-time employees receive 48 hours of sick leave upon hire and will begin accruing sick leave at a rate of twelve hours per month starting after the 12<sup>th</sup> month of employment. Employees may accumulate up to 500 hours of sick leave.

**Capital Assets**

Capital assets, which include property, plant, and equipment is reported in the applicable governmental activities' column in the government-wide financial statements. Capital assets are not recorded in the governmental funds. Instead, capital assets are reflected as expenditures in the governmental funds when purchased or constructed. Capital assets are defined by the SSESAs as assets with an initial, individual cost of \$5,000 or more and an estimated useful life in excess of one year.

All capital assets are valued at historical cost or estimated historical cost if actual cost is not available. Donated capital assets are recorded at acquisition value on the date of donation.

The cost of normal maintenance and repairs that do not add to the value of the assets or materially extend assets lives are not capitalized.

Depreciation of all exhaustible capital assets used is charged as an expense against their operations in government-wide statements. Accumulated depreciation is reported on the government-wide and proprietary statement of net position. The straight-line depreciation method is applied over the estimated useful life of capital assets.

Estimated useful lives for capital assets are displayed in the table below:

Asset Class	Depreciable Life
Equipment	5 years
Building Improvements	5-20 years
Vehicles	5 years

**Long-Term Liabilities**

In the government-wide financial statements, long-term debt and other long-term obligations, if any, are reported as liabilities in the applicable governmental activities and business-type activities or proprietary fund type statement of net position. In governmental fund statements, reported when due for payment.

**Deferred Outflows/Inflows of Resources**

In addition to assets, the statement of net position and balance sheet 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/fund balance that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then.

In addition to liabilities, the statement of net position and 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/fund balance that applies to a future period and so will not be recognized as an inflow of resources (revenue) until then.

**Fund Balance**

The Alliance has implemented GASB issued Statement No. 54, *Fund Balance Reporting and Governmental Fund-type Definitions*. The objective of this statement is to enhance the usefulness of fund balance information by providing clearer fund balance classifications that can be more consistently applied and by clarifying the existing governmental fund-type definitions. This statement establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed on the use of the resources reported in governmental funds.

Under this standard, the fund balance classifications of reserved, designated, and unreserved/undesignated were replaced with five new classifications – non-spendable, restricted, committed, assigned and unassigned.

The following classifications describe the relative strength of the spending constraints:

- Non-spendable fund balance (such as inventory, prepaid expenditures, or long-term receivables) – Amounts that are not in spendable form or are legally or contractually required to be maintained intact.
- Restricted fund balance – Amounts constrained to specific purposes by their providers (such as taxpayers, grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation.
- Committed fund balance – Amounts constrained to specific purposes by the Alliance itself, using its highest level of decision-making authority (Board). To be reported as committed, amounts cannot be used for any other purpose unless the Alliance takes the same highest-level action to remove or change the constraint.
- Assigned fund balance – Amounts the Alliance intends to use for a specific purpose. Intent can be expressed by the Board of Trustees or by an official or body to which the Board of Trustees delegates the authority.
- Unassigned fund balance – Amounts that do not fall into any other category above. This is the residual classification for amounts in the General Fund and represents fund balance that has not been assigned to other funds and has not been restricted, committed, or assigned to specific purposes in the General Fund. In other governmental funds, only negative unassigned amounts are reported, if any, and represent expenditures incurred for specific purposes exceeding the amounts previously restricted, committed, or assigned to those purposes.

The Alliance would typically use restricted fund balance first, followed by committed resources and then assigned resources as appropriate opportunities arise, but reserves the right to selectively spend unassigned resources first to defer the use of those classified funds.

### **Net Position**

In the government-wide financial statements, net position is divided into two components.

- Net Investment in Capital Assets – This category consists of the historical cost of capital assets less accumulated depreciation and less any debt that remains outstanding that was used to finance those assets. Additionally, the Alliance is reporting a net pension asset in the current year that falls under restricted fund balance.
- Restricted – These net assets are constrained to specific purposes by external parties.
- Unrestricted – All other net assets are reported in this category.

### **Budgets and Budgetary Accounting**

Michigan Public Act 621 of 1978, Section 18(1), as amended, provides that a local unit shall not incur expenditures in excess of the amount appropriated in budget resolutions of the governing body.

In the required supplementary information schedules, the Alliance's actual expenditures and budgeted expenditures for the budgetary funds have been shown on a functional basis. The approved budgets of the Alliance for those budgetary funds are adopted at the activity level.

During the fiscal year, the Alliance had expenditures in the general fund that exceeded budgeted amounts as follows:

	Budget	Actual	Difference
Salaries	1,304,800	1,329,692	(24,892)
Administrative	130,500	139,748	(9,248)
Building and equipment	156,935	249,239	(92,304)
Payroll benefits	8,100	9,963	(1,863)
Building and equipment	-	13,348	(13,348)
Debt service	87,000	136,331	(49,331)

The budget for the Alliance is enacted by the Alliance Board annually through passage of a resolution, which establishes appropriations and identifies resources to finance them. Budgets are enacted by activity and, more specifically, by personnel expenditures and supplies and services within activity. Unexpended appropriations lapse at each year end.

**Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles in the United States requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**Implementation of new Accounting Principles**

For the year ended December 31, 2024, the Alliance has implemented certain provisions of GASB Statement No. 100, *Account changes and Error Corrections – an amendment of GASB Statement No. 62*, and GASB Statement No. 101, *Compensated Absences*.

GASB Statement No. 100 enhances accounting and financial reporting requirements for accounting changes and error corrections to provide a more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessment accountability. The implementation of GASB Statement No. 100 has been incorporated into the financial statements.

GASB Statement No. 101 updates the recognition and measurement guidance for compensated absences to promote consistency and better meet the information needs of financial statement users. The unified recognition and measurement model in this Statement will result in a liability for compensated absences that more appropriately reflects when a government incurs an obligation. These changes were incorporated into the Alliance’s 2024 financial statements. The implementation of this standard had no effect on net position/fund balance, and therefore the net position was not restated due to its immaterial impact.

**2. PROPERTY TAXES:**

The 2024 property tax revenue includes property taxes levied principally on December 1, 2024, and substantially collected in February 2025. The total 2024 levy for the Alliance was \$308,033 for general operating purposes.

The Alliance is authorized by Municipal Finance Law of the State to levy taxes up to \$1.00 per \$1,000 of assessed valuation for general governmental operating purposes up to a maximum of 5 mills.

Although the local governmental unit's 2024 ad valorem tax is levied and collectible of December 1, 2024, it is the local governmental unit's policy to recognize revenue from the current tax levy in the subsequent year or the current year when the proceeds of this levy are budgeted and made "available" for the financing of operations. "Available" means collected within the current period or expected to be collected soon enough thereafter to be used to pay liabilities of the current period (60 days).

The 2024 taxable valuation of the local governmental unit totaled an estimated \$192,798,997, on which Ad valorem taxes levied consisted of 1.1718 mills for local governmental operating purposes and .5 mills for fire equipment. These amounts are recognized in the respective General Fund financial statements as property tax revenue.

Pertinent tax dates are as follows:

Lien date	12/01/24
Levy date	12/01/24
Due date without penalty	02/14/25
Collection date	12/01/24 – 02/28/25

**3. CASH AND CASH EQUIVALENTS:**

Act 196, P. A. 1997, authorizes the Alliance to deposit and invest in the following:

1. Bonds, securities and other obligations of the United States or an agency or instrumentality of the United States.
2. Certificates of deposit, savings accounts, deposit accounts, or depository receipts of state or federally chartered savings and loan association, savings bank or credit union whose deposits are insured by an agency of the United States government and which maintains a principal office or branch office located in this State, under the laws of the State or the United States, but only if the bank, savings and loan association, savings bank, or credit union is eligible to be depository of surplus funds belonging to the State under section 5 or 6 of Act 105, P.A. 1855, as amended (MCL 21.145 and 21.146).
3. Commercial paper rated at the time of purchase within the three (3) highest classifications established by not less than two (2) standard rating services, and which matures not more than 270 days after the date of purchase.
4. The United States government or federal agency obligation repurchase agreements.
5. Bankers' acceptances of United States banks.
6. Mutual fund composed of investment vehicles which are legal for direct investment by local units of government in Michigan.

Currently, the Alliance's cash balance is composed entirely of cash deposits.

**Deposits**

There is a custodial credit risk as it relates to deposits. In the case of deposits, this is the risk that in the event of a bank failure, the Alliance's deposits may not be returned to it. As of December 31, 2024, the carrying amount of the Alliance's deposits were fully insured.

**Interest Rate Risk**

The Alliance has a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. The Alliance made no investments that have interest rate risk during the current fiscal year.

**Credit Risk**

Statutes limit investments as stated above. The Alliance’s investment policy limits its investment choices beyond the statute. The Alliance’s investment policy limits investments to the top two ratings issued by nationally recognized statistical rating organizations. The authority to make investment decisions has been granted to the Treasurer.

**Concentration of Credit Risk**

State law limits allowable investments but does not limit concentration of credit risk as identified in the list of authorized investments above. The Alliance’s investment policy does not have specific limits in excess of state law on concentration of credit risk.

**4. CAPITAL ASSETS:**

A summary of changes in governmental assets are as follows:

	Balance January 1 <u>As Restated</u>	<u>Additions</u>	<u>Deletions</u>	Balance December 31
Capital assets being depreciated				
Equipment	\$ 874,192	101,478	-	975,670
Vehicles	1,201,663	17,877	-	1,219,540
Building improvements	<u>54,746</u>	<u>12,033</u>	-	<u>66,779</u>
Total capital assets being depreciated	<u>2,130,601</u>	<u>131,388</u>	-	<u>2,261,989</u>
Less: accumulated depreciation				
Equipment	417,337	124,735	-	542,072
Vehicles	887,682	88,812	-	976,494
Building improvements	<u>9,983</u>	<u>4,559</u>	-	<u>14,542</u>
Total accumulated depreciation	<u>1,315,002</u>	<u>218,106</u>	-	<u>1,533,108</u>
Net Capital assets	\$ <u>815,599</u>	<u>(86,718)</u>	-	<u>728,881</u>

Depreciation expense for the governmental activities was charged to the following functions and activities of the Alliance:

Governmental Activity	
Depreciation expense	
Public Safety	\$ 116,357
Health and welfare	<u>101,749</u>
	\$ <u>218,106</u>

**5. RISK MANAGEMENT:**

The Alliance is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. It is the policy of the Alliance to purchase commercial insurance for most risks of loss to which it is exposed.

**6. DEFINED BENEFIT PENSION PLAN:**

**Summary of Significant Accounting Policies**

For purposes of measuring the Net Pension (Asset) Liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expenses, information about the fiduciary net position of the Municipal Employees Retirement System (MERS) of Michigan and additions to/deductions from MERS' fiduciary net position have been determined on the same basis as they are reported by MERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

**Plan Description**

The Alliance began a defined benefit pension plan in July 2007 which 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](http://www.mersofmich.com).

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

Inactive employees or beneficiaries currently receiving benefits	3
Inactive employees entitled to but not yet receiving benefits	18
Active employees	16

**Contributions**

The employer is required to contribute amounts at least equal to the actuarially determined rate, as established by the MERS Retirement Board. The actuarially determined rate is the estimated amount necessary to finance the cost of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The employer may establish contribution rates to be paid by its covered employees. Employee contributions are 5% and employers' contributions range from 12-14% based on annual payroll for open divisions.

**Net Pension (Asset) Liability**

The employer's Net Pension (Asset) Liability was measured as of December 31, 2024, and the total pension (asset) liability used to calculate the Net Pension (Asset) Liability was determined by an annual actuarial valuation as of December 31, 2024.

**Actuarial Assumptions**

The total pension (asset) liability in December 31, 2024, annual actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement: Inflation 3.0%. Salary increases: 3.00% in the long-term. Investment rate of return: 7.00%, net of investment expenses, including inflation.

Although no specific price inflation assumptions are needed for the valuation, the 3.00% long-term wage inflation assumption would be consistent with a price inflation for 2.5%. Mortality rates used were based on the RP-2014 Group Annuity Mortality Table of a 50% Male and a 50% Female blend. For disabled retirees, the regular mortality table is used with a 10-year set forward in ages to reflect the higher expected mortality rates of disabled members.

The actuarial assumptions used in valuation were based on the results of the most recent actuarial experience study of 2009-2013.

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 weighing the expected future real rates of return by the target asset allocation and best estimate of arithmetic real rates of return for each major asset class are summarized in the following table:

Target Asset Class	Long-Term Expected Allocation	Real Rate of Return
Global Equity	60.0%	5.25%
Global Fixed income	20.0%	1.25%
Private Investments	20.0%	7.25%

**Discount Rate**

The discount rate used to measure the total pension (asset) liability is 7.18% in 2024 and thereafter. The projection of cash flows used to determine the discount rate assumes the 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 (asset) liability. Calculating Net Pension (Asset) Liability for Southwest Shiawassee Emergency Services Alliance.

Changes in Net Pension Liability	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension (Asset) Liability (a) - (b)
Balances at 12/31/2023	<u>2,577,365</u>	<u>2,389,229</u>	<u>188,136</u>
Changes for the Year			
Service Cost	165,806	-	165,806
Interest on Total Pension Liability	189,803	-	189,803
Changes in benefits	-	-	-
Difference between expected and actual experience	(245,955)	-	(245,955)
Changes in assumptions	24,192	-	24,192
Employer Contributions	-	134,361	(134,361)
Employee Contributions	-	53,362	(53,362)
Grand Total Net investment income	-	181,078	(181,078)
Benefit payments, including employee refunds	(84,580)	(84,580)	-
Administrative expense	-	(5,451)	5,451
Other changes	<u>(49,689)</u>	<u>-</u>	<u>(49,689)</u>
Net changes	<u>(423)</u>	<u>278,770</u>	<u>(279,193)</u>
Balances as of 12/31/24	<u>\$2,576,942</u>	<u>\$2,667,999</u>	<u>(\$91,057)</u>

**Sensitivity of the Net Pension (Asset) Liability to changes in the discount rate**

The following presents the Net Pension (Asset) Liability of the employer, calculated using the discount rate of 7.18%, as well as what the employer's Net Pension (Asset) Liability would be using a discount rate that is 1 percentage point lower (6.18%) or 1% higher (8.18%) than the current rate.

	Sensitivity to Changes in Discount Rate		
	1% Decrease 6.18%	Current Discount Rate (7.18%)	1% Increase 8.18%
Net Pension (Asset) Liability at 12/31/24	\$ <u>387,386</u>	<u>(91,057)</u>	<u>(302,969)</u>

For the year ended December 31, 2024, the employer recognized pension expense of \$138,254.

The employer reported deferred outflows and inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources	Net Deferred Outflows (Inflows) of Resources
Investment Earnings (gains)/losses	\$ 83,555	-	83,555
Differences in Experience	-	(243,906)	(243,906)
Difference in Assumptions	<u>114,427</u>	<u>-</u>	<u>114,427</u>
 Total	 <u>\$ 197,982</u>	 <u>(243,906)</u>	 <u>(45,924)</u>

The amount reported as deferred outflows of resources resulting from contributions subsequent to the measurement date will be recognized as a reduction in the Net Pension (Asset) Liability for the year ending December 31, 2024. There were none reported in the current year.

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

Year ended	
2025	\$ (8,489)
2026	14,372
2027	(59,392)
2028	<u>7,585</u>
	 <u>\$ (45,924)</u>

**Annual Pension Contribution**

For the year ended December 31, 2024, the Alliance's pension contribution of \$134,361 for the plan was equal to the Alliance's required contribution. No amounts were due to the plan at year end.

**Pension Plan Fiduciary Net Position**

Detailed information about the plan's fiduciary net position is available in the separately issued financial report. For the purpose of measuring the net pension (asset) liability, deferred outflows of resources, and deferred inflows or resources related to pension and pension expense, information about the plan's fiduciary net position and addition to/deduction from fiduciary net position have been determined on the same basis as they are reported by the plan. The plan uses the economic resources measurement focus and the full accrual basis of accounting. Investments are stated at fair value. Contribution revenue is recorded as contributions are due pursuant to legal requirements. Benefit payment and refunds of employee contributions are recognized as expense when due and payable in accordance with the benefit terms.

**7. NOTES PAYABLE:**

During 2023, the Alliance entered into a financing agreement for fire safety equipment and an ambulance. The quarterly payment, including interest, amount to \$17,218. The agreements mature April 2028. The principal due in the upcoming year is \$44,215 (\$11,439 and \$32,776 for the ambulance and fire equipment notes, respectively).

During 2023, the Alliance entered into a financing agreement for 2 fire vehicles for a total of \$225,000. The monthly payments, including interest at 4%, amount to \$6,467. The agreement matures in March 2027. The principal due in the upcoming year is \$66,179.

During 2024, the Alliance entered into a financing agreement for ambulance equipment. The interest rate is not explicit but was imputed at 3.5% and they will be paying \$19,164 annually beginning in 2025, for a total of \$95,820. The agreement matures in January 2029.

During 2024, the Alliance entered into a financing agreement for additional ambulance equipment. The interest rate is not explicit but was imputed at 3.5% and they will be paying \$15,303 annually beginning in 2024, for a total of \$30,606. The agreement matures in 2025.

SSESA entered into a new agreement to purchase two new ambulance vehicles in May of 2025.

Long-term obligation activity is summarized as follows:

	<u>Beginning</u> <u>balance</u>	<u>Additions</u>	<u>Payments</u>	<u>Ending</u> <u>balance</u>	<u>Due within</u> <u>1 year</u>
Note payable - ambulance \$	67,567	-	(14,567)	53,000	11,439
Note payable - fire equipment	203,545	-	(51,885)	151,660	32,776
Note payable - fire engines	225,000	-	(54,576)	170,424	66,179
Note payable - ambulance equipment	-	30,606	(15,303)	15,303	15,303
Note payable - ambulance equipment	-	95,820	-	95,820	19,164
Compensated absences	<u>13,917</u>	<u>47,882</u>	<u>-</u>	<u>61,799</u>	<u>61,799</u>
	<u>\$ 510,029</u>	<u>174,308</u>	<u>(136,331)</u>	<u>548,006</u>	<u>144,861</u>

Annual debt service requirements to maturity for long-term debt are as follows:

	<u>Principal</u>	<u>Interest</u>
2025 \$	144,861	12,597
2026	155,644	9,998
2027	113,599	4,165
2028	52,938	663
2029	<u>19,165</u>	<u>312</u>
Total \$	<u>486,207</u>	<u>27,735</u>

**8. PRIOR PERIOD ADJUSTMENTS:**

During the year ended December 31, 2024, the Alliance identified and corrected errors relating to prior year balances. In 2024, adjustments were made to accounts receivable (due from local governments) and cash balances, resulting in restatements of the beginning net position and fund balance. Specifically, the net position as of December 31, 2023 was decreased by \$116,979, reflecting corrections to due from local governments and cash and cash equivalents. The fund balance as of December 31, 2023, increased by \$177,618.

In 2024, further prior period adjustments were recorded to correct property tax receivables for the City of Perry and Perry Township, related deferred inflows of resources, proper expenditure of prepaid expenses, and grant receivable and revenue. These corrections resulted in restatements of both fund balance and net position at the beginning of the year.

All adjustments have been made in accordance with generally accepted accounting principles (GAAP) and Governmental Accounting Standards Board (GASB) requirements. The restated balances are reflected in the comparative financial statements for the years ended December 31, 2023.

**Required Supplementary Information**

Southwest Shiawassee Emergency Services Alliance  
Schedule of Revenues, Expenditures, and Changes  
In Fund Balance – General Fund  
For the Year Ended December 31, 2024

	Budget Amounts		Actual	Variance
	Original	Final		Favorable (Unfavorable)
<b>Revenues</b>				
Intergovernmental revenue				
Local - ambulance	\$ 1,225,230	1,262,230	1,228,243	(33,987)
Local - fire	331,000	421,000	125,083	(295,917)
Grant income	-	9,000	59,008	50,008
Property taxes	-	-	308,033	308,033
Charges for services				
Ambulance	900,000	923,000	1,211,695	288,695
Other revenues	10,000	13,500	37,132	23,632
	2,466,230	2,628,730	2,969,194	340,464
<b>Expenditures</b>				
Health and Welfare				
Salaries	1,270,296	1,304,800	1,329,692	(24,892)
Payroll benefits	391,000	367,000	310,399	56,601
Administrative	75,500	130,500	139,748	(9,248)
Building and equipment	228,989	156,935	249,239	(92,304)
Utilities	17,600	17,600	15,504	2,096
Training	10,500	15,500	8,358	7,142
Health and safety	2,500	2,500	1,130	1,370
Supplies	101,000	103,300	89,260	14,040
	2,097,385	2,098,135	2,143,330	(45,195)
Public Safety				
Salaries	90,445	106,625	103,918	2,707
Payroll benefits	8,200	8,100	9,963	(1,863)
Administrative	36,500	32,500	28,635	3,865
Building and equipment	45,000	-	13,348	(13,348)
Utilities	12,700	10,200	7,299	2,901
Training	7,000	7,000	3,485	3,515
Health and safety	3,500	3,500	65	3,435
Supplies	28,500	26,000	14,854	11,146
	231,845	193,925	181,567	12,358
Capital outlay	50,000	249,670	221,895	27,775
Debt service	87,000	87,000	136,331	(49,331)
Total expenditures	2,466,230	2,628,730	2,683,123	(54,393)
Excess of revenues over expenditures	-	-	286,071	286,071

Southwest Shiawassee Emergency Services Alliance  
Schedule of Revenues, Expenditures, and Changes  
In Fund Balance – General Fund (Continued)  
For the Year Ended December 31, 2024

Other financing sources				
Note proceeds	<u>-</u>	<u>-</u>	<u>126,426</u>	126,426
Net change in fund balance	-	-	412,497	\$ <u>412,497</u>
Fund balance, January 1	177,618	177,618	177,618	
Error correction	<u>-</u>	<u>-</u>	<u>202,016</u>	
Fund balance, December 31	\$ <u><u>177,618</u></u>	<u><u>177,618</u></u>	<u><u>792,131</u></u>	

Southwest Shiawassee Emergency Services Alliance  
Schedule of Changes in Net Pension (Asset) Liability and Related Ratios

	2024	2023	2022
Total pension (asset) liability			
Service cost	\$ 165,806	194,814	126,258
Interest	189,803	167,905	159,376
Changes of benefits terms	-	-	-
Difference between expected and actual experience	(245,955)	33,021	(256,891)
Changes in assumptions	24,192	-	99,999
Benefit payments, including refunds	(84,580)	(40,997)	(42,372)
Other changes	<u>(49,689)</u>	<u>(16,400)</u>	<u>(3,696)</u>
Net change in total pension (asset) liability	(423)	338,343	82,674
Total pension (asset) liability - beginning of the year	2,577,365	2,239,022	2,156,348
Total pension (asset) liability - end of the year	<u>2,576,942</u>	<u>2,577,365</u>	<u>2,239,022</u>
Plan fiduciary net position			
Contributions - employer	134,361	135,988	158,140
Contributions - employee	53,362	53,581	49,106
Net investment income	181,078	233,479	(213,299)
Benefit payments, including refunds	(84,580)	(40,997)	(42,372)
Administrative expenses	<u>(5,451)</u>	<u>(4,940)</u>	<u>(3,957)</u>
Net change in plan fiduciary net position	278,770	377,111	(52,382)
Plan fiduciary net position - beginning of the year	<u>2,389,229</u>	<u>2,012,118</u>	<u>2,064,500</u>
Plan fiduciary net position - end of the year	<u>2,667,999</u>	<u>2,389,229</u>	<u>2,012,118</u>
Net pension (asset) liability	<u>\$ (91,057)</u>	<u>188,136</u>	<u>226,904</u>
Fiduciary net position as a % of total pension (asset) liability	103.53%	92.70%	89.87%
Covered payroll	\$ 973,258	1,139,394	795,980
Net pension liability as a % of covered payroll	-9.36%	16.51%	28.51%

Southwest Shiawassee Emergency Services Alliance  
Schedule of Changes in Net Pension (Asset) Liability and Related Ratios  
(Continued)

2021	2020	2019	2018	2017	2016	2015
117,285	75,207	73,252	72,121	78,348	75,521	71,545
134,129	116,262	104,683	90,079	85,013	73,354	61,959
-	-	-	-	-	-	-
109,649	(12,184)	66,563	26,520	(81,716)	(10,521)	-
107,997	53,387	-	-	-	44,757	-
(16,754)	(15,826)	(15,826)	(19,669)	(6,080)	(6,080)	(24,423)
<u>(10,548)</u>	<u>(2,335)</u>	<u>(8,429)</u>	<u>11,020</u>	<u>(2,325)</u>	<u>(4,928)</u>	<u>18,488</u>
441,758	214,511	220,243	180,071	73,240	172,103	127,569
1,714,590	1,500,079	1,279,836	1,099,765	1,026,525	854,422	726,853
<u>2,156,348</u>	<u>1,714,590</u>	<u>1,500,079</u>	<u>1,279,836</u>	<u>1,099,765</u>	<u>1,026,525</u>	<u>854,422</u>
114,795	94,558	57,662	49,633	49,476	45,500	48,406
41,547	37,775	30,307	29,440	28,435	28,742	29,902
247,226	194,596	160,162	(47,260)	129,096	92,727	(33,925)
(16,754)	(15,826)	(15,826)	(19,669)	(6,080)	(6,080)	(2,443)
<u>(2,837)</u>	<u>(2,883)</u>	<u>(2,765)</u>	<u>(2,268)</u>	<u>(2,032)</u>	<u>(1,825)</u>	<u>(1,669)</u>
383,977	308,220	229,540	9,876	198,895	159,064	40,271
<u>1,680,523</u>	<u>1,372,303</u>	<u>1,142,763</u>	<u>1,132,887</u>	<u>933,992</u>	<u>774,928</u>	<u>734,657</u>
<u>2,064,500</u>	<u>1,680,523</u>	<u>1,372,303</u>	<u>1,142,763</u>	<u>1,132,887</u>	<u>933,992</u>	<u>774,928</u>
<u>91,848</u>	<u>34,067</u>	<u>127,776</u>	<u>137,073</u>	<u>(33,122)</u>	<u>92,533</u>	<u>79,494</u>
95.74%	98.01%	91.48%	89.29%	103.01%	90.99%	90.70%
878,616	566,315	555,938	529,837	572,258	568,822	568,822
10.45%	6.02%	22.98%	25.87%	-5.79%	16.27%	13.98%

Southwest Shiawassee Emergency Services Alliance  
Schedule of Employer Contributions

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Actuarial determined contributions	133,128	131,166	139,597	99,388	78,874	53,704	47,633	49,476	45,500	48,406
Contributions in relation to the actuarially determined contribution	<u>134,361</u>	<u>135,988</u>	<u>158,140</u>	<u>114,795</u>	<u>94,558</u>	<u>57,662</u>	<u>49,633</u>	<u>49,476</u>	<u>45,500</u>	<u>48,406</u>
<b>Contribution deficiency (excess)</b>	<u>\$ (1,233)</u>	<u>\$ (4,822)</u>	<u>\$ (18,543)</u>	<u>\$ (15,407)</u>	<u>\$ (15,684)</u>	<u>\$ (3,958)</u>	<u>\$ (2,000)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 973,258	\$ 1,139,394	\$ 795,980	\$ 878,616	\$ 566,315	\$ 555,938	\$ 529,837	\$ 572,258	\$ 568,822	\$ 568,822
Contributions as a percentage of covered payroll	14%	12%	20%	13%	17%	10%	9%	9%	8%	9%

**Notes to the Schedule of Contributions**

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

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry-age
Amortization method	Level percentage
Asset valuation method	5-year smoothed
Inflation	2.5 percent
Salary increases	3%
Investment rate of return	7% net of investment and administrative expenses
Normal retirement age	Varies depending on plan description
Mortality	Pub-2010 and fully generated MP-2019

