

Marshall Area Fire Fighters Ambulance Authority
Calhoun County, Michigan

FINANCIAL STATEMENTS

Year ended June 30, 2025

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INDEPENDENT AUDITOR'S REPORT

Board of Directors
Marshall Area Fire Fighters Ambulance Authority
Marshall, Michigan

Opinions

We have audited the accompanying financial statements of the governmental activities, and the major fund of the Marshall Area Fire Fighters Ambulance Authority (the Authority) as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements, as listed in the 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 major fund of the Authority, as of June 30, 2025, 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

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Authority, 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.

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 Authority'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

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 generally accepted 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, 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 the Authority'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 the Authority'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 pension schedules, as listed in the contents, 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 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 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.

Siegfried Crandall P.C.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Our discussion and analysis of the Marshall Area Fire Fighters Ambulance Authority's (the Authority) financial performance provides a narrative overview of the Authority's financial activities for the fiscal year ended June 30, 2025. Please read it in conjunction with the Authority's financial statements.

FINANCIAL HIGHLIGHTS

- The Authority's total net position increased by \$261,569 as a result of this year's activities.
- Of the \$2,338,668 total net position reported, \$1,311,316 is unrestricted, without constraints established by debt covenants, enabling legislation, or other legal requirements.
- The General Fund's unassigned fund balance at the end of the fiscal year was \$1,362,450, which represents 46 percent of the actual total General Fund expenditures for the current fiscal year.

Overview of the financial statements

The Authority's annual report is comprised of three parts: management's discussion and analysis, the basic financial statements, and required supplementary information. The basic financial statements include two kinds of statements that present different views of the Authority:

- The first two statements are government-wide financial statements that provide both long-term and short-term information about the Authority's overall financial status.
- The remaining statements are fund financial statements that focus on individual parts of the Authority government, reporting the Authority's operations in more detail than the government-wide financial statements.
 - Governmental funds statements explain how government services, like general government, public safety, and public works, were financed in the short-term, as well as what remains for future spending.

The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data. The financial statements are followed by a section of required supplementary information that further explains and supports the information in the financial statements.

A comparative analysis of the government-wide financial statements for 2025 and 2024 is also presented.

Government-wide financial statements

The government-wide financial statements report information about the Authority as a whole using accounting methods similar to those used by private-sector companies. The Statement of Net Position includes all of the Authority's assets, deferred outflows of resources, liabilities, and deferred inflow 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 Authority's net position and how it has changed. Net position (the difference between the Authority's assets and deferred outflows of resources, and liabilities and deferred inflows of resources) is one way to measure the Authority's financial health, or position.

- Over time, increases or decreases in the Authority's net position are an indicator of whether its financial health is improving or deteriorating, respectively.
- To assess the overall health of the Authority, you need to consider additional nonfinancial factors, such as changes in the Authority's property tax base and the condition of the Authority's capital assets.

The government-wide financial statements present governmental activities. These activities include functions most commonly associated with government (e.g., general government, public safety, public works, etc.). Property taxes and state grants generally fund these services.

Fund financial statements

The fund financial statements provide more detailed information about the Authority's fund - not the Authority as a whole. Funds are accounting devices that the Authority uses to keep track of specific sources of funding and spending for particular purposes.

- Some funds are required by state law and bond agreements.
- The Authority Board may establish other funds to control and manage money for particular purposes or to show that it is properly using certain other revenues.

The Authority reports one type of funds:

- *Governmental funds.* All of the Authority's basic services are included in its governmental funds, which focus on (1) how cash, and other financial assets that can be readily converted to cash, flows in and out, and (2) the balances left at year end that are available for spending. Consequently, the governmental funds statements provide a detailed short-term view that helps determine whether there are more or fewer financial resources that can be spent in the near future to finance the Authority's programs. Because this information does not encompass the additional long-term focus of the government-wide statements, we provide additional information that explains the relationship between them.

FINANCIAL ANALYSIS OF THE AUTHORITY AS A WHOLE

Net position

Total net position at the end of the fiscal year was \$2,338,668. Of this total, \$1,027,352 is invested in capital assets. Unrestricted net position was \$1,311,316.

Condensed financial information
Net position

	<i>Governmental activities</i>	
	<u>2025</u>	<u>2024</u>
Current and other assets	\$ 1,633,060	\$ 1,319,757
Capital assets	<u>1,138,106</u>	<u>1,117,620</u>
Total assets	<u>2,771,166</u>	<u>2,437,377</u>
Deferred outflows of resources	<u>434,982</u>	<u>451,085</u>
Current and other liabilities	681,623	593,843
Long-term debt	<u>110,754</u>	<u>110,680</u>
Total liabilities	<u>792,377</u>	<u>704,523</u>
Deferred inflows of resources	<u>75,103</u>	<u>106,840</u>
Net position:		
Net investment in capital assets	1,027,352	967,158
Unrestricted	<u>1,311,316</u>	<u>1,109,941</u>
Total net position	<u>\$ 2,338,668</u>	<u>\$ 2,077,099</u>

Changes in net position

The Authority's total revenues were \$3,282,904. Taxes account for 27 percent of the total revenues, while 71 percent comes from charges for services.

The cost of the Authority's programs totaled \$3,021,335. About 66 percent of the Authority's costs relate to personnel costs, while depreciation expense accounts for approximately 7 percent of the total.

*Condensed financial information
Changes in net position*

	<i>Governmental activities</i>	
	<u>2025</u>	<u>2024</u>
Program revenues:		
Charges for services	\$ 2,334,697	\$ 2,109,029
Operating grants and contributions	33,700	115
General revenues:		
Taxes	901,938	753,162
Other	-	13,874
Investment income	12,569	10,579
 Total revenues	 <u>3,282,904</u>	 <u>2,886,759</u>
 Expenses:		
Health and welfare	3,015,569	2,770,241
Interest on long-term debt	5,766	7,481
 Total expenses	 <u>3,021,335</u>	 <u>2,777,722</u>
 Changes in net position	 <u>\$ 261,569</u>	 <u>\$ 109,037</u>
 Net position, end of year	 <u>\$ 2,338,668</u>	 <u>\$ 2,077,099</u>

Governmental activities

Governmental activities increased the Authority's net position by \$261,569, compared to an increase of \$109,037 last year.

The Authority's revenues increased \$396,145 from 2024. This increase is primarily due to an increase in charges for services of \$225,668, and an increase in property tax revenue of \$148,776 in comparison to 2024.

The Authority's expenses increased \$243,613 from 2024, as personnel costs increased by \$73,437 from the prior year.

The total cost of governmental activities this year was \$3,021,335. After subtracting the direct charges to those who directly benefited from the programs (\$2,334,697) and operating grants (\$33,700), the "public benefit" portion covered by taxes, state revenue sharing, and other general revenues was \$652,938.

FINANCIAL ANALYSIS OF THE AUTHORITY'S FUND

The General Fund is the primary operating fund of the Authority. At the end of the fiscal year, fund balance was \$1,576,442, an increase of \$309,485 during the year, as revenues of \$3,282,904 exceeded expenditures of \$2,973,419.

General Fund budgetary highlights

The Authority amended the General Fund budget by allocating various expenditures across several activities. Revenues were \$150,654 higher than budgeted amounts, primarily due to charges for services and tax revenues exceeding projections. The total \$62,281 positive variance between the actual and budgeted expenditure amounts was the result of all activities falling below estimated levels. These variances resulted in a \$212,935 positive budget variance, with a \$309,485 increase in fund balance compared to a budget that anticipated an increase of \$96,550 in fund balance.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital assets

The Authority's investment in capital assets for its governmental activities as of June 30, 2025, amounts to \$1,138,106 (net of accumulated depreciation). This investment includes land, buildings, vehicles, and equipment. This amount represents a net increase of \$20,486 comprised of \$220,134 in additions and \$199,648 in current depreciation.

More detailed information about the Authority's capital assets is presented in Note 4 of the notes to the basic financial statements.

Debt

The Authority had \$110,754 in notes payable balance at the end of the fiscal year, after timely principal payments of \$39,708 were made during the year.

Other long-term debt obligations of the Authority of \$91,105 represent accrued compensated absences. The Authority also recognized a net pension liability, associated with its defined benefit pension plan, in the amount of \$533,900.

More detailed information about the Authority's long-term liabilities is presented in Note 5 of the notes to the basic financial statements.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The Authority plans to primarily use current revenues to provide essential services in fiscal year 2026 in order to maintain current fund balances.

The Authority plans to maintain all ongoing programs for fiscal year 2026.

CONTACTING THE AUTHORITY'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, investors, and creditors with a general overview of the Authority's finances and to demonstrate the Authority's accountability for the resources it receives. Questions regarding any information provided in this report or requests for additional financial information should be addressed to:

Marshall Area Fire Fighters Ambulance Authority
16984 Burlingame Drive
Marshall, MI 49068

BASIC FINANCIAL STATEMENTS

STATEMENT OF NET POSITION

June 30, 2025

	<i>Governmental activities</i>
ASSETS	
Current assets:	
Cash	\$ 1,374,466
Receivables, net	202,531
Inventory	38,370
Prepays	<u>17,693</u>
Total current assets	<u>1,633,060</u>
Noncurrent assets:	
Capital assets not being depreciated	69,077
Capital assets, net of accumulated depreciation	<u>1,069,029</u>
Total noncurrent assets	<u>1,138,106</u>
Total assets	<u>2,771,166</u>
DEFERRED OUTFLOWS OF RESOURCES	
Pension	<u>434,982</u>
LIABILITIES	
Current liabilities:	
Payables	56,618
Current portion of compensated absences	45,552
Current portion of long-term debt	<u>41,527</u>
Total current liabilities	<u>143,697</u>
Noncurrent liabilities:	
Net pension liability	533,900
Compensated absences	45,553
Long-term debt	<u>69,227</u>
Total noncurrent liabilities	<u>648,680</u>
Total liabilities	<u>792,377</u>
DEFERRED INFLOWS OF RESOURCES	
Pension	<u>75,103</u>
NET POSITION	
Investment in capital assets	1,027,352
Unrestricted	<u>1,311,316</u>
Total net position	<u><u>\$ 2,338,668</u></u>

See notes to financial statements

Marshall Area Fire Fighters Ambulance Authority**STATEMENT OF ACTIVITIES***Year ended June 30, 2025*

		<u>Program revenues</u>		<u>Net (expenses) revenues and change in net position</u>
		<u>Charges for services</u>	<u>Operating grants and contributions</u>	
Functions/Programs	<u>Expenses</u>			
Governmental activities:				
Health and welfare	\$ 3,015,569	\$ 2,334,697	\$ 33,700	\$ (647,172)
Interest on debt	<u>5,766</u>	<u>-</u>	<u>-</u>	<u>(5,766)</u>
Total governmental activities	<u>\$ 3,021,335</u>	<u>\$ 2,334,697</u>	<u>\$ 33,700</u>	<u>(652,938)</u>
General revenues:				
Property taxes				901,938
Investment income				<u>12,569</u>
Total general revenues				<u>914,507</u>
Change in net position				261,569
Net position - beginning				<u>2,077,099</u>
Net position - ending				<u>\$ 2,338,668</u>

See notes to financial statements

Marshall Area Fire Fighters Ambulance Authority

BALANCE SHEET - governmental funds

June 30, 2025

	<u>General</u>
ASSETS	
Cash	\$ 1,374,466
Receivables, net	202,531
Inventory	38,370
Prepays	<u>17,693</u>
Total assets	<u>\$ 1,633,060</u>
LIABILITIES AND FUND BALANCES	
Liabilities:	
Payables	\$ 17,723
Payroll liabilities	<u>38,895</u>
Total liabilities	<u>56,618</u>
Fund balances:	
Nonspendable:	
Inventory	38,370
Prepays	17,693
Committed for capital purchases	157,929
Unassigned	<u>1,362,450</u>
Total fund balances	<u>1,576,442</u>
Total liabilities and fund balances	<u>\$ 1,633,060</u>
Reconciliation of the balance sheet to the statement of net position:	
Total fund balance - total governmental funds	\$ 1,576,442
Amounts reported for <i>governmental activities</i> in the statement of net position (page 10) are different because:	
Capital assets used in <i>governmental activities</i> are not financial resources and, therefore, are not reported in the funds.	1,138,106
Long-term debt is not due and payable in the current period and, therefore, are not reported in the funds.	(110,754)
Certain pension contributions and unamortized changes in pension plan net position are reported as deferred outflows of resources in the statement of net position, but are not reported in the funds.	434,982
Certain pension contributions and unamortized changes in pension plan net position are reported as deferred inflows of resources in the statement of net position, but are not reported in the funds.	(75,103)
Compensated absences are not due and payable in the current period and, therefore, are not reported in the funds.	(91,105)
The net pension liability is not due and payable in the current period and is not reported in the funds.	<u>(533,900)</u>
Net position of <i>governmental activities</i>	<u>\$ 2,338,668</u>

See notes to financial statements

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - governmental funds

Year ended June 30, 2025

	<i>General</i>
REVENUES	
Taxes	\$ 901,938
Charges for services	2,310,913
State grants	30,500
Interest	12,569
Other	<u>26,984</u>
Total revenues	<u>3,282,904</u>
EXPENDITURES	
Current:	
Health and welfare - ambulance	2,699,693
Debt service:	
Principal	39,708
Interest	5,766
Capital outlay	<u>228,252</u>
Total expenditures	<u>2,973,419</u>
NET CHANGES IN FUND BALANCES	309,485
FUND BALANCES - BEGINNING	<u>1,266,957</u>
FUND BALANCES - ENDING	<u><u>\$ 1,576,442</u></u>
Reconciliation of the statement of revenues, expenditures, and changes in fund balances to the statement of activities:	
Net change in fund balance - total governmental funds	\$ 309,485
Amounts reported for <i>governmental activities</i> in the statement of activities (page 11) are different because:	
Capital assets:	
Additions	220,134
Provision for depreciation	(199,648)
Repayments of principal on long-term debt	39,708
Increase in net pension liability	(70,051)
Changes in deferred inflows of resources:	
Decrease in deferred inflows of resources - pension plan	31,737
Changes in deferred inflows and outflows of resources:	
Decrease in deferred outflows of resources - pension plan	(16,103)
Net change in compensated absences	<u>(53,693)</u>
Change in net position of <i>governmental activities</i>	<u><u>\$ 261,569</u></u>

See notes to financial statements

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the Marshall Area Fire Fighters Ambulance Authority, Michigan (the Authority), conform to accounting principles generally accepted in the United States of America (hereinafter referred to as generally accepted accounting principles) as applicable to governmental units. The following is a summary of the more significant accounting policies.

Reporting entity:

The Authority was established under Act 57 of the State of Michigan Public Acts of 1988, on April 15, 2004, by the Townships of Burlington, Clarendon, Convis, Eckford, Fredonia, Lee, Marengo, Marshall, and Tekonsha and the City of Marshall, all of which are located in Calhoun County, Michigan. The Authority provides ambulance and rescue services to the citizens residing in those localities. The Authority is governed by a twelve-member Board of Directors comprised of members representing each municipality, one member at large, and one member from Oaklawn Hospital in Marshall, Michigan.

As required by generally accepted accounting principles, these financial statements present only the Authority (located in Calhoun County), as there are no other entities for which the Authority is considered to be financially accountable.

Government-wide and fund financial statements:

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all activities of the Authority. The effect of interfund activity has been removed from these statements.

The statement of activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. 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; and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds and the fiduciary fund, even though the latter is excluded from government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements. The Authority only has one governmental fund, its general operating fund.

Measurement focus, basis of accounting, and financial statement presentation:

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are 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 revenues in the year for which they are levied. Grants and similar items are recognized as revenues as soon as all eligibility requirements imposed by the provider have been met.

Governmental funds financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available if they are collected within the current period, or soon enough thereafter, to pay liabilities of the current period. For this purpose, the Authority generally considers revenues to be available if they are expected to be 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, expenditures relating to compensated absences, and claims and judgments are recorded only when payment is due.

State grants, licenses and permits, charges for services, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable only when cash is received by the Authority.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Measurement focus, basis of accounting, and financial statement presentation (continued):

The Authority reports the following major governmental fund:

The General Fund is the Authority's primary operating fund. It accounts for all financial resources of the Authority, except those required to be accounted for in another fund. Revenues are primarily derived from property taxes and state shared revenue.

Amounts reported as program revenues include: (1) charges to customers or applicants for goods, services, or privileges provided; (2) operating grants and contributions; and (3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

Assets, deferred outflows of resources, liabilities, deferred inflows of resources, and equity:

Bank deposits - Cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition. Pooled interest income is proportionately allocated to all funds.

Receivables - All trade receivables are shown net of an allowance for uncollectable accounts, as applicable. All amounts deemed to be uncollectable are charged against the allowance for doubtful accounts in the period that determination is made. The amounts deemed uncollectable are estimated based upon a review of outstanding receivables, historical collection information, billings, insurance reimbursement rates, and existing economic conditions. Past due accounts greater than 90 days are considered delinquent and are reserved for in the allowance for doubtful accounts, in addition to anticipated uncollectable insurance reimbursements as of year-end. After 151 days, if there have been no collections received on the patient's portion amounts due, the delinquent patient account is adjusted to bad debt expense. Uncollectable insurance reimbursements are netted against charges for services at year-end.

Inventory - Inventory consists of medical supplies and is valued at cost using the FIFO (first-in, first-out) method; however, management has elected to value inventory using the average-cost method. The difference between the Authority's inventory valued at average cost and cost using the FIFO method was not determined as of year-end, given the small dollar amount and high turnover of inventory.

Prepaid items - Certain payments to vendors reflect costs applicable to future periods and are recorded as prepaid items in both the government-wide and fund financial statements. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

Capital assets - Capital assets, which include property, plant, and equipment, are reported in the government-wide financial statements. Capital assets, other than infrastructure, are defined by the Authority as assets with an initial, individual cost of more than \$2,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value as of the date received. Governments can elect to account for infrastructure assets either retroactively to June 15, 1980, or prospectively. The Authority has elected to account for infrastructure assets prospectively, beginning April 1, 2004.

Capital assets are depreciated using the straight-line method over the following useful lives:

Buildings and improvements	39 years
Medical equipment	3 - 7 years
Office equipment and furnishings	3 - 7 years
Computer and technology	3 - 7 years
Rescue vehicles	5 years

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, deferred outflows of resources, liabilities, deferred inflows of resources, and equity (continued):

Deferred inflows of resources - The statement of net position and the governmental funds balance sheet include a separate section for deferred inflows of resources. This separate financial statement element reflects an increase in equity that applies to a future period. The related revenues will not be recognized until a future event occurs. The Authority has two items that are included in this category: deferred amounts relating to the defined benefit pension plan and unavailable interest revenue. The deferred amounts relating to the pension plan are discussed in Note 10. The interest revenue is deferred as it is not available within 60 days of year end.

Pension - The Authority offers pension benefits to retirees. The Authority records a net pension liability for the difference between the total pension liability calculated by an actuary and the pension plan's fiduciary net position. For purposes of measuring the net pension liability, deferred outflows of resources related to pensions and pension expense, information about the fiduciary net position of the pension plan, and additions to/deductions from the pension plan's fiduciary net position have been determined on the same basis as they are reported by the pension plan. 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.

Deferred outflows of resources - The statement of net position includes a separate section for deferred outflows of resources. This separate financial statement element reflects a decrease in net position that applies to a future period. The related expense will not be recognized until a future event occurs. The Authority has one item in this category, a deferred amount relating to pension (Authority contributions made after the measurement date of the net pension liability, as well as the unamortized difference between projected and actual investment earnings of the defined benefit pension plan). The deferred pension contributions will be expensed in the subsequent year, and the net difference between projected and actual earnings on pension plan investments is being amortized over a closed, five-year period using the straight-line method. No deferred outflows of resources affect the governmental funds financial statements.

Net position - Net position represents the difference between assets and deferred outflows of resources, and liabilities and deferred inflows of resources. The Authority reports three categories of net position, as follows: (1) *Net investment in capital assets* consists of net capital assets reduced by outstanding balances of any related debt obligations attributable to the acquisition, construction, or improvement of those assets; (2) *Restricted net position* is considered restricted if its use is constrained to a particular purpose. Restrictions are imposed by external organizations, such as federal or state laws or buyers of the Authority's debt. Restricted net position is reduced by liabilities related to the restricted assets; (3) *Unrestricted net position* consists of all other net position that does not meet the definition of the above components and is available for general use by the Authority.

Net position flow assumption - Sometimes, the Authority will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted - net position and unrestricted - net position in the government-wide financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the Authority's policy to consider restricted - net position to have been depleted before unrestricted - net position is applied.

Property tax revenue recognition - Property taxes are levied as of December 1 on property values assessed as of December 31 of the prior year. The billings are due on or before February 14, at which time the bill becomes delinquent and penalties and interest may be assessed by the Authority. Property tax revenue is recognized in the year for which taxes have been levied and become available. The Authority levy date is December 1, and, accordingly, the total levy is recognized as revenue in the current year.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, deferred outflows of resources, liabilities, deferred inflows of resources, and equity (continued):

Fund equity - Governmental funds report nonspendable fund balance for amounts that cannot be spent because they are either a) not in spendable form, or b) legally or contractually required to be maintained intact. Restricted fund balance is reported when externally imposed constraints are placed on the use of resources by grantors, contributors, or laws and regulations of other governments. The Authority Board of Trustees retains the authority to assign fund balance. Unassigned fund balances are amounts that do not fall into any other category above. This is the residual classification for amounts 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 or assigned to those purposes. When the Authority incurs an expenditure for purposes for which various fund balance classifications can be used, it is the Authority's policy to use the restricted fund balance first, followed by committed fund balance, then assigned fund balance, and, finally, unassigned fund balance.

Use of estimates - The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America 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 revenue and expenses during the period. Accordingly, actual results could differ from those estimates.

NOTE 2 - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Budgetary information - Annual budgets are adopted on a basis consistent with generally accepted accounting principles for governmental funds. The budget document presents information by fund, function, and department. The legal level of budgetary control adopted by the governing body is the department level. All annual appropriations lapse at the end of the fiscal year. There were no reportable budget violations at year end.

NOTE 3 - CASH

State statutes and the Authority's investment policy authorize the Authority to make deposits in the accounts of federally insured banks, credit unions, and savings and loan associations. The Authority's deposits are in accordance with statutory authority. At June 30, 2025, the Authority had deposits with a carrying amount of \$1,374,266 and petty cash in the amount of \$200.

Custodial credit risk is the risk that, in the event of the failure of a financial institution, the Authority will not be able to recover its deposits. The Authority's investment policy does not specifically address custodial credit risk for deposits. At June 30, 2025, \$82,725 of the Authority's bank balances of \$1,384,059 was exposed to custodial credit risk because it was uninsured and uncollateralized.

Marshall Area Fire Fighters Ambulance Authority
NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 4 - CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2025, was as follows:

	<u>Beginning balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending balance</u>
Governmental activities:				
Capital assets not being depreciated - land	\$ 69,077	\$ -	\$ -	\$ 69,077
Capital assets being depreciated:				
Buildings and improvements	880,286	-	-	880,286
Medical equipment	500,164	-	-	500,164
Rescue vehicles	1,122,807	220,134	-	1,342,941
Office equipment and furnishings	85,893	-	-	85,893
Computer and technology equipment	84,029	-	-	84,029
Subtotal	<u>2,673,179</u>	<u>220,134</u>	<u>-</u>	<u>2,893,313</u>
Less accumulated depreciation for:				
Buildings and improvements	(260,665)	(26,153)	-	(286,818)
Medical equipment	(301,387)	(72,873)	-	(374,260)
Rescue vehicles	(936,572)	(89,159)	-	(1,025,731)
Office equipment and furnishings	(41,984)	(11,463)	-	(53,447)
Computer and technology equipment	<u>(84,028)</u>	<u>-</u>	<u>-</u>	<u>(84,028)</u>
Subtotal	<u>(1,624,636)</u>	<u>(199,648)</u>	<u>-</u>	<u>(1,824,284)</u>
Total capital assets being depreciated, net	<u>1,048,543</u>	<u>20,486</u>	<u>-</u>	<u>1,069,029</u>
Governmental activities capital assets, net	<u>\$ 1,117,620</u>	<u>\$ 20,486</u>	<u>\$ -</u>	<u>\$ 1,138,106</u>

Depreciation expense was charged solely to the health and welfare function.

Marshall Area Fire Fighters Ambulance Authority
NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 5 - LONG-TERM LIABILITIES

At June 30, 2025, long-term liabilities, consist of the following:

Governmental activities:

Installment purchase agreement:

2012 \$500,000 bank note payable in annual installments
of \$3,789, including interest of 4.30%; final payment is
due January 20, 2028 \$ 110,754

Accrued compensated absences 91,105

Total governmental activities \$ 201,859

Long-term liability activity for the year ended June 30, 2025, was as follows:

	<u>Beginning balance</u>	<u>Additions</u>	<u>Net Change</u>	<u>Reductions</u>	<u>Ending balance</u>	<u>Amounts due within one year</u>
Governmental activities:						
Direct placement debt:						
2012 Note payable	\$ 150,462	\$ -	\$ -	\$ (39,708)	\$ 110,754	\$ 41,527
Compensated absences	<u>37,412</u>	<u>-</u>	<u>53,693</u>	<u>-</u>	<u>91,105</u>	<u>45,552</u>
Total governmental activities	<u>\$ 187,874</u>	<u>\$ -</u>	<u>\$ 53,693</u>	<u>\$ (39,708)</u>	<u>\$ 201,859</u>	<u>\$ 87,079</u>

At June 30, 2025, debt service requirements are as follows:

<u>Year ended June 30</u>	<u>Governmental activities</u>	
	<u>Direct Placement Debt</u>	
	<u>Principal</u>	<u>Interest</u>
2026	41,526	3,947
2027	43,348	2,126
2028	<u>25,880</u>	<u>367</u>
Totals	<u>\$ 110,754</u>	<u>\$ 6,440</u>

NOTE 6 - PROPERTY TAX REVENUE

The 2024 taxable valuation of the Authority approximated \$1,332,000,000 before adjustments on which ad valorem taxes levied consisted of 0.6973 mills for operating purposes, raising approximately \$901,000 for operating purposes. These amounts are recognized in the fund financial statements as property tax revenue.

NOTE 7 - RISK MANAGEMENT

The Authority is exposed to various risks of loss related to property loss, torts, errors and omissions, and employee injuries (workers' compensation). The Authority has purchased commercial insurance for each of these claims.

In addition to carrying commercial insurance, the Authority participates in the Michigan Association of Ambulance Services (MAAS) Self-Insured Worker's Compensation Fund (the Fund) for workers' compensation. The Fund was established pursuant to the provisions of Act 45 of Michigan Public Acts of 1974. Premiums for coverage secured by the Authority are determined in accordance with rating guidelines, which provide funds sufficient to secure specific and aggregate reinsurance.

The Authority has had no settled claims from these risks that exceeded its insurance coverage in any of the past three fiscal years. In addition, the Authority did not have any significant reduction in insurance coverage during the year.

NOTE 8 - DEFINED BENEFIT PENSION PLAN

Plan description:

The Authority participates in the Municipal Employees' Retirement System of Michigan (MERS). 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 by accessing the MERS website at www.mersofmich.com.

Benefits provided:

The Authority's defined benefit pension plan provides certain retirement, disability, and death benefits to plan members and beneficiaries and covers the full-time employees of the Authority. Retirement benefits for eligible employees are calculated as 2.5% of the employee's three-year final average compensation times the employee's years of service with a maximum of 80% of final average compensation. Normal retirement age is 60, with early retirement at a reduced benefit at age 50, with 25 years of service, or age 55, with 15 years of service. Deferred retirement benefits vest after 3 years of credited service but are not paid until the date retirement would have occurred had the member remained an employee. Covered employees are not required to contribute to the plan. An employee who leaves service may withdraw their contributions, plus any accumulated interest. Benefit terms, within the parameters of MERS, are established and amended by the authority of the Authority board.

Employees covered by benefit terms:

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

Inactive employees or beneficiaries not yet receiving benefits	3
Inactive employees currently receiving benefits	2
Active employees	<u>6</u>
Total	<u><u>11</u></u>

Contributions:

The Authority 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. Covered employees are required to contribute to the plan. For the fiscal year ended June 30, 2025, the Authority and employees made the required contributions of \$101,849 and \$37,764 to the plan.

NOTE 8 - DEFINED BENEFIT PENSION PLAN (Continued)

Actuarial assumptions:

The total pension liability in the December 31, 2024, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50%	
Salary increases	3.00%	In the long term
Investment rate of return	6.93%	Net of investment expense, including inflation

This valuation incorporates fully generational mortality. The base mortality tables used are constructed as described below and are based on amount weighted sex distinct rates:

Mortality rates were based on a 50 percent male, 50 percent female blend of the Pub-2010 fully generational MP-2019 scale.

The actuarial assumptions used in the December 31, 2024, valuation were based on the results of the actuarial experience studies covering 2014-2018 and dated 2020.

Assumption changes:

The following assumption changes were reflected in the 2024 valuation:

- The investment rate of return, net of administrative expense, including inflation, moved to 6.93 percent.
- The rate of wage inflation remains at 3.00 percent.

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 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 schedule:

<u>Asset class</u>	<u>Target allocation</u>	<u>Long-term expected real rate of return</u>	<u>Expected money-weighted rate of return</u>
Global equity	60.00%	7.00%	2.70%
Global fixed income	20.00%	4.66%	0.43%
Private investments	<u>20.00%</u>	9.00%	1.30%
	<u>100.00%</u>		
Inflation			2.50%
Administrative expenses			<u>0.25%</u>
Investment rate of return			<u>7.18%</u>

NOTE 8 - DEFINED BENEFIT PENSION PLAN (Continued)

Discount rate:

The discount rate used to measure the total pension liability is 7.18% for 2024. The projection of cash flows used to determine the discount rate assumes that employer contributions will be made at 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:

	<i>Increase (decrease)</i>		
	<i>Total pension liability</i>	<i>Plan fiduciary net position</i>	<i>Net pension liability (asset)</i>
	<i>(a)</i>	<i>(b)</i>	<i>(a) - (b)</i>
Balances at December 31, 2023	\$ 2,245,872	\$ 1,782,023	\$ 463,849
Changes for the year:			
Service cost	65,335	-	65,335
Interest	162,240	-	162,240
Difference between expected and actual	77,092	-	77,092
Change in assumptions	11,380	-	11,380
Employer contributions	-	78,248	(78,248)
Employee contributions	-	37,616	(37,616)
Net investment income	-	134,174	(134,174)
Benefit payments, including refunds	(37,884)	(37,884)	-
Administrative expenses	-	(4,043)	4,043
Other	(1)	-	(1)
Net changes	278,162	208,111	70,051
Balances at December 31, 2024	\$ 2,524,034	\$ 1,990,134	\$ 533,900

NOTE 8 - DEFINED BENEFIT PENSION PLAN (Continued)

Sensitivity of the net pension liability to changes in the discount rate:

The following presents the net pension liability of the Authority, calculated using the discount rate of 7.18%, as well as what the Authority's net pension liability would be using a discount rate that is 1 percentage point lower (6.18%) or 1 percentage point higher (8.18%) than the current rate.

	<u>1% decrease (6.18%)</u>	<u>Current rate (7.18%)</u>	<u>1% increase (8.18%)</u>
Net pension liability	<u>\$ 920,327</u>	<u>\$ 533,900</u>	<u>\$ 214,757</u>

Pension plan fiduciary net position:

Detailed information about the pension plan's fiduciary net position is available in the separately issued MERS financial report, which can be found at www.mersofmich.com. The plan's fiduciary net position has been determined on the same basis used 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. Benefit payments are recognized as expense when due and payable in accordance with benefit terms.

Pension expense and deferred outflows of resources related to pensions:

For the fiscal year ended June 30, 2025, the Authority recognized pension expense of \$156,265. At June 30, 2025, the Authority reported deferred outflows and deferred inflows of resources related to pensions from the following sources:

<u>Source</u>	<u>Deferred outflows of resources</u>	<u>Deferred inflows of resources</u>
Net difference between projected and actual earnings on pension plan investments	\$ 61,227	\$ -
Difference between expected and actual	233,155	75,103
Change in assumptions	<u>90,584</u>	<u>-</u>
	384,966	75,103
Contributions made subsequent to the measurement date	<u>50,016</u>	<u>-</u>
Total	<u>\$ 434,982</u>	<u>\$ 75,103</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 liability in fiscal year 2025.

NOTE 8 - DEFINED BENEFIT PENSION PLAN (Continued)

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

<i>Year ended</i>	<i>Deferred outflows of resources</i>	<i>Deferred inflows of resources</i>
2026	140,915	31,739
2027	153,580	22,357
2028	64,287	21,007
2029	<u>26,184</u>	<u>-</u>
	<u>\$ 384,966</u>	<u>\$ 75,103</u>

NOTE 9 - PENDING ACCOUNTING PRONOUNCEMENT

The Governmental Accounting Standards Board (GASB) issued Statement No. 103, *Financial Reporting Model Improvements*, in March 2024. This statement is effective for fiscal years ending June 30, 2026, and after. This statement establishes new accounting and financial reporting requirements, or modifies existing requirements, related to the following: management's discussion and analysis; unusual or infrequent items; presentation of the proprietary fund statement of revenue, expenses, and changes in fund net position; information about major component units in basic financial statements; and budgetary comparison information. The Authority is currently evaluating the impact this standard will have on the financial statements when adopted during the 2026 fiscal year.

REQUIRED SUPPLEMENTARY INFORMATION

Marshall Area Fire Fighters Ambulance Authority

BUDGETARY COMPARISON SCHEDULE - General Fund

Year ended June 30, 2025

	<i>Original budget</i>	<i>Final budget</i>	<i>Actual</i>	<i>Variance with final budget positive (negative)</i>
REVENUES				
Taxes	\$ 825,000	\$ 857,250	\$ 901,938	\$ 44,688
Charges for services	2,160,000	2,210,000	2,310,913	100,913
State grants	-	30,500	30,500	-
Interest	10,000	10,000	12,569	2,569
Other	24,500	24,500	26,984	2,484
Total revenues	3,019,500	3,132,250	3,282,904	150,654
EXPENDITURES				
Health and welfare - ambulance services:				
Salaries and wages	1,639,000	1,634,000	1,608,479	25,521
Employee benefits	406,000	392,000	381,883	10,117
Vehicle costs	145,000	133,500	129,178	4,322
Medical supplies	89,500	96,000	84,945	11,055
Utilities	16,000	16,500	15,674	826
Professional services	73,000	79,500	75,744	3,756
Printing and publishing	1,000	1,000	995	5
Dispatch	5,500	5,500	5,500	-
Communication	20,000	21,500	20,068	1,432
Insurance	39,000	41,000	40,593	407
License and permits	1,500	1,500	685	815
Dues and memberships	2,500	7,500	6,816	684
Bank fees	6,000	8,000	7,325	675
Education and training	13,000	32,000	31,882	118
Michigan provider tax	9,000	9,000	8,512	488
Bad debts	210,000	278,750	278,750	-
Other	2,900	2,900	2,664	236
Total health and welfare	2,678,900	2,760,150	2,699,693	60,457
Debt service:				
Principal	39,750	39,750	39,708	42
Interest	5,800	5,800	5,766	34
Total debt service	45,550	45,550	45,474	76

Marshall Area Fire Fighters Ambulance Authority

BUDGETARY COMPARISON SCHEDULE - General Fund (Continued)

Year ended June 30, 2025

	<i>Original budget</i>	<i>Final budget</i>	<i>Actual</i>	<i>Variance with final budget positive (negative)</i>
EXPENDITURES (Continued)				
Capital outlay	\$ 230,000	\$ 230,000	\$ 228,252	\$ 1,748
Total expenditures	2,954,450	3,035,700	2,973,419	62,281
NET CHANGES IN FUND BALANCES	65,050	96,550	309,485	212,935
FUND BALANCES - BEGINNING	1,266,957	1,266,957	1,266,957	-
FUND BALANCES - ENDING	<u>\$ 1,332,007</u>	<u>\$ 1,363,507</u>	<u>\$ 1,576,442</u>	<u>\$ 212,935</u>

Marshall Area Fire Fighters Ambulance Authority
SCHEDULE OF CHANGES IN THE AUTHORITY'S NET PENSION LIABILITY AND RELATED RATIOS
Last ten fiscal years only (schedule is built prospectively upon implementation of GASB 68)

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Total pension liability:										
Service cost	\$ 65,335	\$ 58,358	\$ 67,970	\$ 52,036	\$ 59,755	\$ 73,228	\$ 64,975	\$ 79,633	\$ 77,758	\$ 90,776
Interest	162,240	154,827	129,193	112,499	96,666	84,830	81,218	70,841	67,386	52,425
Difference between expected and actual	77,092	(71,884)	204,417	89,235	32,023	59,280	(66,346)	(13,432)	(93,822)	41,889
Change in assumptions	11,380	22,457	-	86,940	64,757	30,207	-	-	-	29,259
Benefit payments, including refunds	(37,884)	(48,509)	(37,884)	(56,028)	(26,000)	(32,524)	(21,695)	-	(44,922)	-
Other	(1)	-	-	-	1	-	(867)	-	13,384	1,638
Net change in total pension liability	278,162	115,249	363,696	284,682	227,202	215,021	57,285	137,042	19,784	215,987
Total pension liability, beginning of year	<u>2,245,872</u>	<u>2,130,623</u>	<u>1,766,927</u>	<u>1,482,245</u>	<u>1,255,043</u>	<u>1,040,022</u>	<u>982,737</u>	<u>845,695</u>	<u>825,911</u>	<u>609,924</u>
Total pension liability, end of year	<u>\$ 2,524,034</u>	<u>\$ 2,245,872</u>	<u>\$ 2,130,623</u>	<u>\$ 1,766,927</u>	<u>\$ 1,482,245</u>	<u>\$ 1,255,043</u>	<u>\$ 1,040,022</u>	<u>\$ 982,737</u>	<u>\$ 845,695</u>	<u>\$ 825,911</u>
Plan fiduciary net position:										
Contributions - employer	\$ 78,248	\$ 53,826	\$ 45,650	\$ 31,808	\$ 21,008	\$ 22,392	\$ 31,062	\$ 33,177	\$ 24,926	\$ 23,590
Contributions - employee	37,616	41,674	40,217	36,682	47,567	47,610	47,855	51,973	58,510	60,104
Net investment income	134,174	177,520	(175,358)	208,054	172,557	148,667	(44,493)	120,311	88,865	(11,256)
Benefit payments, including refunds	(37,884)	(48,509)	(37,884)	(56,028)	(26,000)	(32,524)	(21,695)	-	(44,922)	-
Administrative expenses	(4,043)	(3,755)	(3,178)	(2,387)	(2,615)	(2,557)	(2,146)	(1,891)	(1,743)	(1,557)
Net change in plan fiduciary net position	208,111	220,756	(130,553)	218,129	212,517	183,588	10,583	203,570	125,636	70,881
Plan fiduciary net position, beginning of year	<u>1,782,023</u>	<u>1,561,267</u>	<u>1,691,820</u>	<u>1,473,691</u>	<u>1,261,174</u>	<u>1,077,586</u>	<u>1,067,003</u>	<u>863,433</u>	<u>737,797</u>	<u>666,916</u>
Plan fiduciary net position, end of year	<u>\$ 1,990,134</u>	<u>\$ 1,782,023</u>	<u>\$ 1,561,267</u>	<u>\$ 1,691,820</u>	<u>\$ 1,473,691</u>	<u>\$ 1,261,174</u>	<u>\$ 1,077,586</u>	<u>\$ 1,067,003</u>	<u>\$ 863,433</u>	<u>\$ 737,797</u>
Authority's net pension liability (asset), end of year	<u>\$ 533,900</u>	<u>\$ 463,849</u>	<u>\$ 569,356</u>	<u>\$ 75,107</u>	<u>\$ 8,554</u>	<u>\$ (6,131)</u>	<u>\$ (37,564)</u>	<u>\$ (84,266)</u>	<u>\$ (17,738)</u>	<u>\$ 88,114</u>
Plan fiduciary net position as a percent of total pension liability	79%	79%	73%	96%	99%	100%	104%	109%	102%	89%
Covered employee payroll	\$ 549,956	\$ 506,582	\$ 587,979	\$ 499,383	\$ 566,402	\$ 696,081	\$ 624,164	\$ 759,861	\$ 746,241	\$ 878,758
Authority's net pension liability as a percentage of covered employee payroll	97%	92%	97%	15%	2%	-1%	-6%	-11%	-2%	10%

Marshall Area Fire Fighters Ambulance Authority

SCHEDULE OF AUTHORITY PENSION CONTRIBUTIONS

Last ten fiscal years

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Actuarially determined contributions	\$ 101,849	\$ 55,551	\$ 49,380	\$ 32,880	\$ 10,848	\$ 20,682	\$ 30,036	\$ 32,034	\$ 24,926	\$ 23,590
Contributions in relation to the actuarially determined contributions	<u>101,849</u>	<u>55,551</u>	<u>49,380</u>	<u>32,880</u>	<u>18,984</u>	<u>22,392</u>	<u>31,062</u>	<u>38,229</u>	<u>25,627</u>	<u>25,954</u>
Contribution excess (deficiency)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 8,136</u>	<u>\$ 1,710</u>	<u>\$ 1,026</u>	<u>\$ 6,195</u>	<u>\$ 701</u>	<u>\$ 2,364</u>
Covered employee payroll	<u>\$ 549,956</u>	<u>\$506,852</u>	<u>\$607,783</u>	<u>\$537,565</u>	<u>\$647,423</u>	<u>\$696,081</u>	<u>\$624,164</u>	<u>\$759,861</u>	<u>\$ 746,241</u>	<u>\$ 878,578</u>
Contributions as a percentage of covered payroll	18.5%	11.0%	8.1%	6.1%	2.9%	3.2%	5.0%	5.0%	3.4%	3.0%

Valuation date

Actuarially determined contribution rates are calculated as of December 31 each year, which is 12 months prior to the beginning of the fiscal year in which the contributions are required.

Methods and assumptions used to determine contribution rates:

Actuarial costs method

Entry-age normal cost

Amortization method

Level percentage of pay, open

Remaining amortization period

15 years

Asset valuation method

5-year smoothed market

Inflation

2.50%

Salary increases

3.00%

Investment rate of return

7.18%, net of investment and administrative expenses, including inflation

Retirement age

Normal retirement age is 60 years

Mortality

50% Female/50% Male blend of the RP-2014 Healthy Annuitant Mortality Tables with rates multiplied by 105%