

# **South East Regional Emergency Services Authority**

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**Financial Report  
with Supplemental Information  
June 30, 2016**

# South East Regional Emergency Services Authority

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*South East Regional  
Emergency Services Authority*

18961 COMMON RD.  
ROSEVILLE, MICHIGAN 48066

December 1, 2016

To the Board of Directors  
South East Regional Emergency Services Authority

**Letter of Transmittal**

We are submitting herewith the financial report of the South East Regional Emergency Services Authority (SERESA) as of and for the year ended June 30, 2016. It is the responsibility of SERESA's management to present fairly, with full disclosure and in conformity with accounting principles generally accepted in the United States of America, the financial position and results of operations of SERESA's funds. The annual financial report contains necessary disclosures useful in providing an understanding of the individual funds and full accrual financial statements. Pursuant to that requirement, we hereby issue the annual financial report of the South East Regional Emergency Services Authority as of and for the year ended June 30, 2016. Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with management.

To the best of our knowledge and belief, the enclosed data are accurate in all material respects and are reported in a manner that presents fairly the financial position and results of operations of the funds and of SERESA. All disclosures necessary to enable the reader to gain an understanding of SERESA's activities have been included.

Plante & Moran, PLLC has issued an unmodified "clean" opinion on SERESA's financial statements for the year ended June 30, 2016. The independent auditor's report is located at the front of the financial section of this report.

The management's discussion and analysis (the "MD&A") immediately follows the independent auditor's report and provides a narrative introduction, overview, and analysis of the basic financial statements. The MD&A complements this letter of transmittal and should be read in conjunction with it.

State law requires that all local governmental units, including authorities such as SERESA, publish within six months of the close of each fiscal year a complete set of financial statements presented in conformity with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants.

To the Board of Directors  
South East Regional Emergency Services Authority

An authority is a special district form of government operating independently of all other governmental agencies. SERESA is a collaborative emergency services communication center formed by the municipalities of Eastpointe, Roseville, and St. Clair Shores to provide public safety communication services including police and law enforcement, fire rescue, and medical services to the three municipalities with populations of approximately 32,000, 48,000, and 60,000, respectively. The primary goal or business objective of SERESA is to provide essential public safety services with higher functions and support to the three municipal police and fire agencies at a lower cost with improved quality.

### **Governmental Structure, Local Economic Condition, and Outlook**

In July 2010, the cities of Eastpointe, Roseville, and St. Clair Shores created a legal entity known as the South East Regional Emergency Services Authority (SERESA), which is a municipal consolidated dispatch center responsible for the dispatching of emergency police, fire, and emergency medical services throughout the member communities. SERESA was formed under 1988 Public Act 57. Funding for SERESA is primarily derived from the participating members' contributions based on dispatch calls for service annually. SERESA operates under the direction of a set of comprehensive policies and uniform standards that align with or exceed state and national best practices.

The articles of incorporation also allow funding to be from a dedicated millage or telephone operational surcharges. The articles permit any participating municipality to withdraw from the authority, if given one full year's budgetary notice; although as a disincentive, any withdrawing municipality forfeits any assets previously transferred.

SERESA is governed under the authority of a five-member board of directors appointed by each of the city government boards, along with police and fire representatives from the municipalities. Public meetings of the board of directors are held on the second Wednesday of each month. The board of directors is responsible, among other things, for setting policy, adopting the budget, approving contracts and expenditures, planning and securing funding for voice and data radio communication improvements, and appointing an executive director. Technological assistance and fiscal management services including accounting and payroll are provided by agreement from the City of Roseville. SERESA is also housed in a building wholly owned by the City of Roseville.

The executive director is responsible for carrying out the policies of the board of directors, for overseeing the day-to-day operations of the dispatch center, hiring all employees, and approving all purchase commitments of SERESA. The executive director is the official custodian of all records of SERESA, coordinates the recording of all property owned by SERESA, and certifies all payment vouchers prior to approval by the board of directors. The controller of Roseville is responsible for maintaining all financial accounting records of SERESA, collecting all revenue due to SERESA, investing all SERESA funds, issuing payment vouchers for goods, services, and payrolls, and maintaining property/casualty insurances under the present agreement between SERESA and the City of Roseville.

To the Board of Directors  
South East Regional Emergency Services Authority

The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the local economic environment in which SERESA operates.

### **Regional Profile and Economic Conditions**

SERESA's dispatch service area encompasses the cities of Eastpointe, Roseville, and St. Clair Shores, which are located near the southeast corner of Macomb County, adjacent to the southern boundary of Macomb County and north of the City of Detroit. Freeway access to the southeast Michigan region is provided by Interstate-94 (I-94) and Interstate-696 (I-696). In addition, regional access is available using the bus system of the Suburban Mobility Authority for Regional Transportation (SMART) system. These cities independently have grown and prospered significantly as three of southeastern Michigan's earliest and strongest suburban communities.

Like most communities, in recent years, the cities of Eastpointe, Roseville, and St. Clair Shores have experienced double digit declines in market values on their real and personal properties. The decline in property values resulted in a reduction of tax dollars available to support vital city programs and services. Unfortunately, even as the housing market stabilizes, under Proposal A, taxable value losses will be slow to recoup due to the mandated inflationary cap on property assessments. No matter the rate of increase, it will take significant future years to restore any municipality to its prior funding level. Accordingly, all Michigan cities are challenged to reinvent the way they operate and provide essential core services to their residents. Resource sharing and collaborative partnerships among cities are viable approaches promoting maximum efficiency of limited resources while ensuring continued public safety services utilized by residents. Funding for SERESA is primarily derived from the participating members' annual contributions. SERESA adheres to a multi-year financial plan to address the challenges of expenditure control while seeking additional grant funding sources.

### **Major Achievements and Results of Operations for 2015/2016**

SERESA provides essential public safety services with higher functions and support to the three municipal police and fire agencies at a lower-cost per call ratio. Performance metrics have been developed and a service call assessment process is in place. The assessment results are communicated to the member communities on an annual basis.

### **Services Metrics**

#### **Operational**

- All 911 Calls: 91,896
- Non-911 Calls (10-digit calls): 98,896
- Total Outgoing Calls: 83,051
- Total Calls for Service: 100,959

To the Board of Directors  
South East Regional Emergency Services Authority

- Speed to answer:
  - a. Average: 6 seconds
  - b. Minimum: N/A
  - c. Maximum: 1:38 minutes
  - d. Length of Average Call on Hold: 53 seconds

SERESA in 2015/2016 established several financial and operational objectives to be accomplished in the next fiscal year that will have a material impact on services and financial planning including:

- Develop an operational model that creatively assesses resources through collaboration with neighboring communities in order to reduce financial strain on our communities
- Manage labor costs by negotiating fair but affordable wage and benefit packages that allow SERESA to address needed technological upgrades while reducing fiscal stress faced by member communities
- Seek grant funding sources to support voice and data radio communications improvements
- Implement five-year strategic plan:
  - Enhance the quality of SERESA's E9-1-1 system to ensure all citizens and visitors have access to public safety services that are reliable, redundant, and secure
  - Implement network capabilities that support the statewide initiative for Next Generation (NG) 9-1-1 on local and regional level
  - Enhance quality of SERESA's processes to ensure that all citizens, visitors, and first responders receive consistent and reliable service with every call for service
  - Ensure the financial stability of SERESA's E9-1-1 communication system

### **The Reporting Entity and Services Provided**

SERESA has defined its financial reporting entity in accordance with the pronouncements of the Governmental Accounting Standards Board (GASB).

### **Financial Information**

Management of SERESA is responsible for establishing and maintaining internal controls designed to ensure that the assets of SERESA are protected from loss, theft, or misuse and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles. Internal controls are designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that (1) the cost of a control should not exceed the benefits likely to be derived and (2) the valuation of costs and benefits requires estimates and judgments by management.

To the Board of Directors  
South East Regional Emergency Services Authority

All internal control evaluations occur with the above framework. We believe SERESA's internal accounting controls adequately safeguard assets and provide reasonable assurance of proper recording of financial transactions.

SERESA adopted a balanced FY 2015/2016 General Fund budget. SERESA contributed \$314,000 to fund balance in FY 2015/2016, which has been assigned for equipment improvements. The increase to fund balance was a result of strong cost control efforts to commit additional amounts toward technological upgrades.

SERESA's internal accounting controls adequately safeguard assets and provide reasonable assurance of proper recording of financial transactions.

### **Budgeting Controls**

In accordance with state law, SERESA's budget is prepared on the modified accrual basis for governmental-type funds, and its accounting records are also maintained on that basis. Under modified accrual accounting, revenue is recorded when it is both measurable and available. Expenditures are recorded when a liability is incurred, except for interest on long-term debt.

The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by SERESA's governing body. Activities of the General Fund are included in the annual appropriated budget. The level of budgetary control (that is, the level at which expenditures cannot legally exceed the appropriated amount) is established at the program unit level for the General Fund. However, for internal accounting purposes, budgetary control is maintained by object class (line account) for all funds. The City of Roseville, on behalf of SERESA, also maintains an encumbrance accounting system as one technique of accomplishing budgetary control.

Purchase orders that would create an over-encumbrance are not written until additional appropriations are available. Encumbered accounts lapse at year end. However, any encumbrances outstanding at June 30, 2016 are reported as reservations of fund balances.

As demonstrated by the statements and schedules included in the financial section of this report, SERESA has met and will continue to meet its financial management responsibilities.

To the Board of Directors  
South East Regional Emergency Services Authority

**Acknowledgments**

The timely preparation of this report could not have been accomplished without the efficient and dedicated services of the staff of the Roseville Controllers Office and our independent auditors, Plante & Moran, PLLC, certified public accountants. We express our appreciation to all members of the city departments we partner with that assisted and contributed to operations. In closing, without the leadership and support of the board of directors, this report would not have been possible.

Sincerely,

Cherie Bartram  
Executive Director  
Roseville, Michigan

## Independent Auditor's Report

To the Board of Directors  
South East Regional Emergency  
Services Authority

We have audited the accompanying financial statements of the governmental activities (full accrual basis) and the General Fund (modified accrual basis) of the South East Regional Emergency Services Authority (SERESA) as of and for the year ended June 30, 2016 and the related notes to the financial statements, which collectively comprise the South East Regional Emergency Services Authority's basic financial statements as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

### ***Auditor's Responsibility***

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

To the Board of Directors  
South East Regional Emergency  
Services Authority

### **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities (full accrual basis) and the General Fund (modified accrual basis) of the South East Regional Emergency Services Authority as of June 30, 2016 and the respective changes in its financial position for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

### **Other Matters**

#### *Required Supplemental Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the required supplemental information, as identified in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, which 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 supplemental 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.

#### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise SERESA's basic financial statements. The letter of transmittal is presented for the purpose of additional analysis and is not a required part of the basic financial statements. The letter of transmittal has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

*Plante & Moran, PLLC*

December 1, 2016

# **South East Regional Emergency Services Authority**

## **Management's Discussion and Analysis**

### **Reviewing the Annual Report**

Our discussion and analysis of the South East Regional Emergency Services Authority's (SERESA) financial performance provides an overview of SERESA's financial activities for the year ended June 30, 2016. Please read it in conjunction with SERESA's financial statements.

### **Financial Highlights**

As management of SERESA, we offer the readers of SERESA's financial statements this narrative overview and analysis of the financial activity of SERESA for the year ended June 30, 2016. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, the financial statements, and the notes to the financial statements. In July 2010, the cities of Roseville, St. Clair Shores, and Eastpointe created a legal entity known as the South East Regional Emergency Services Authority (SERESA), which is responsible for the dispatching of emergency police, fire, and ambulance services throughout the member communities. Funding for SERESA is primarily derived from the participating members' contributions based on dispatched calls for service. The Articles of Incorporation also allow funding to be from a dedicated millage or telephone operational surcharges. The Articles of Incorporation permit any participating municipality to withdraw from SERESA, if given one full year's budgetary notice. However, as a disincentive, any withdrawing municipality forfeits any assets previously transferred. SERESA is housed in a building wholly owned by the City of Roseville. SERESA also contracts with the City of Roseville to provide certain fiscal and technology assistance for an annual fee.

### **Using this Annual Report**

This annual report consists of three parts - management's discussion and analysis (this section), the basic financial statements, and required supplemental information. The basic financial statements include information that presents two different views of SERESA:

- The first column of the financial statements includes information on SERESA's General Fund under the modified accrual method. This fund financial statement focuses on current financial resources and provides a more detailed view about the accountability of SERESA's sources and uses of these funds.
- The adjustment column of the financial statements represents adjustments necessary to convert the fund financial statements to the government-wide financial statements under the full accrual method.

# South East Regional Emergency Services Authority

## Management's Discussion and Analysis (Continued)

- The third column is the government-wide financial statement column. This column provides both long-term and short-term information about SERESA's overall financial status. The statement of net assets and the statement of activities provide information about the activities of SERESA as a whole and present a longer-term view of SERESA's finances. These statements tell how SERESA was 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 statements are followed by a section of required information that further explains and supports the information in the financial statements.

### Governmental Activities

The following table shows, in a condensed format, the current year's and previous year's net assets:

	Governmental Activities			
	2015	2016	Change	Percent Change
<b>Assets</b>				
Other assets	\$ 1,215,795	\$ 1,249,624	\$ 33,829	3%
Capital assets	238,951	124,933	(114,018)	-48%
Total assets	1,454,746	1,374,557	(80,189)	-6%
<b>Liabilities</b>				
Current liabilities	378,640	177,098	(201,542)	-53%
Long-term liabilities	124,564	49,186	(75,378)	-61%
Total liabilities	503,204	226,284	(276,920)	-55%
<b>Net Position</b>				
Net investment in capital assets	238,951	124,933	(114,018)	-48%
Restricted	33,625	33,172	(453)	-1%
Unrestricted	678,966	990,168	311,202	46%
Total net position	<u>\$ 951,542</u>	<u>\$ 1,148,273</u>	<u>\$ 196,731</u>	21%

# South East Regional Emergency Services Authority

## Management's Discussion and Analysis (Continued)

SERESA's total net position at June 30, 2016 was \$1,148,273, including unrestricted net position of \$990,168. SERESA's governmental current assets increased by \$33,829 due to improved budgetary conditions. Noncurrent assets decreased by \$114,018, attributed to the depreciation of capital assets. SERESA's governmental current liabilities decreased by \$201,542, attributed to a liability to refund the members for contributions made in excess of operating costs during the prior year that wasn't a liability at June 30, 2016. In addition, SERESA adopted a new accounting pronouncement in the prior year, GASB Statement No. 68. This accounting pronouncement requires entities to recognize their unfunded pension benefit obligation on the full accrual level as a liability for the first time. The net pension liability for SERESA related to the employees that participate in the St. Clair Shores pension system is zero. This is a result of the City of St. Clair Shores keeping this liability at the time these employees transferred to SERESA.

The following table shows, in a condensed format, the comparison of the changes in net assets for the years ended June 30:

	Governmental Activities			Percent Change
	2015	2016	Change	
<b>Revenue</b>				
Program revenue:				
Member contributions	\$ 1,907,574	\$ 2,246,363	\$ 338,789	18%
Member training grants	322,133	238,368	(83,765)	-26%
Investment earnings	225	-	(225)	-100%
Other revenue	146	556	410	281%
Total revenue	2,230,078	2,485,287	255,209	11%
<b>Program Expenses - Public safety</b>	2,396,654	2,288,556	(108,098)	-5%
<b>Change in Net Position</b>	<b>\$ (166,576)</b>	<b>\$ 196,731</b>	<b>\$ 363,307</b>	218%

SERESA's governmental revenue totaled \$2,485,287, of which \$2,246,363 or approximately 90 percent was derived primarily from participating members' contributions. SERESA's governmental expenditures total \$2,288,556, of which \$1,839,532 or approximately 80 percent is attributed to personnel-related expenditures. The decrease in overall expenditures is primarily attributed to a reduction in depreciation expense resulting from many fixed assets being fully depreciated at the end of the prior year.

# **South East Regional Emergency Services Authority**

## **Management's Discussion and Analysis (Continued)**

### **General Fund Budgetary Highlights**

SERESA's administration monitors and amends the budget to take into account unanticipated expenditures that were incurred during the year. SERESA adopted a balanced budget for fiscal year 2015-2016. The budget was formally amended once for fiscal year 2015-2016. A budgetary comparison statement has been provided herein to demonstrate compliance with this budget. At year end, actual revenue was approximately \$360,000 greater than budgeted amounts attributable to a budgeted refund back to the contributing members that the board assigned for future capital improvements for SERESA. Actual expenditures were approximately \$109,000 lower than budgeted amounts primarily attributable to equipment being placed in service subsequent to June 30, 2016 that was budgeted for fiscal year 2015-2016. SERESA contributed \$314,238 to its fund balance in fiscal year 2015-2016. For fiscal year 2016-2017 and beyond, management has developed a comprehensive multi-year financial forecast that will be updated annually and reflected as part of SERESA's annual operating budget.

### **Capital Asset and Debt Administration**

At year end, SERESA had \$124,933 in net capital assets consisting primarily of computer equipment and leasehold improvements. SERESA received the majority of these assets through a federal grant originally awarded to the City of Roseville for the sole purpose of developing a centralized dispatching facility. Accordingly, SERESA did not issue any debt toward the purchase or construction of the above-mentioned capital assets. During the year, SERESA paid approximately \$77,000 toward a new radio communication system to be placed in service in fiscal 2016-2017. Approximately \$187,000 of fund balance was committed for the total cost of the new system. During fiscal year 2015-2016, approximately \$332,000 of fund balance was assigned for other future equipment improvements.

### **Economic Factors and Next Year's Budget**

Funding for SERESA is primarily derived from the participating members' contributions. Unfortunately, in recent years, property assessments in member communities have experienced double-digit declines in market values on their real and personal properties. The decline in property values resulted in a reduction in tax revenue available to support vital programs and services. Early indications show the stabilization of taxable values in member communities that may result in improved future revenue streams. However, the taxable value loss recovery is capped at inflation under Proposal A. Many expenses that are contractual in nature, on the other hand, continue to rise faster than inflation. For fiscal year 2016-2017, management will continue to monitor budgetary concerns by reviewing SERESA's operational model to ensure the correct level of staffing is supported by available financial resources. SERESA's current labor agreements expire June 30, 2019. At that time, the SERESA board plans to continue to manage labor costs by negotiating fair but affordable wage and benefit packages that address the fiscal challenges of the member communities. SERESA continues to pursue new service-sharing agreements with surrounding communities and seeks additional grant funding sources while it monitors and adjusts expenditures to ensure adequate financial reserves are maintained.

# **South East Regional Emergency Services Authority**

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## **Management's Discussion and Analysis (Continued)**

### **Contacting SERESA's Management**

This financial report is intended to provide the member communities, as well as potential new members, with a general overview of SERESA's activities and to show SERESA' accountability for the money it receives. If you have questions about this report or need additional information, we welcome you to contact SERESA directly.

# South East Regional Emergency Services Authority

## Statement of Net Position/Governmental Fund Balance Sheet June 30, 2016

	<u>General Fund - Modified Accrual Basis</u>	<u>Adjustments (Note 2)</u>	<u>Statement of Net Position</u>
<b>Assets</b>			
Cash and cash equivalents (Note 3)	\$ 915,210	\$ -	\$ 915,210
Due from county for 911 wireless	215,715	-	215,715
Prepaid expenses	118,699	-	118,699
Leasehold improvements and equipment - Net (Note 4)	<u>-</u>	<u>124,933</u>	<u>124,933</u>
Total assets	<b><u>\$ 1,249,624</u></b>	124,933	1,374,557
<b>Liabilities</b>			
Accounts payable	\$ 50,202	-	50,202
Accrued liabilities and other	46,346	-	46,346
Unearned revenue	1,188	-	1,188
Compensated absences (Note 5):			
Due within one year	-	79,362	79,362
Due in more than one year	<u>-</u>	<u>49,186</u>	<u>49,186</u>
Total liabilities	97,736	128,548	226,284
<b>Deferred Inflows of Resources -</b>			
Unavailable revenue	495	(495)	-
<b>Equity</b>			
Fund balance:			
Nonspendable	118,699	(118,699)	-
Restricted - 911 funds	33,172	(33,172)	-
Committed - Radio communication system improvements	110,700	(110,700)	-
Assigned - Equipment improvements	331,914	(331,914)	-
Unassigned	<u>556,908</u>	<u>(556,908)</u>	<u>-</u>
Total fund balance	<u>1,151,393</u>	<u>(1,151,393)</u>	<u>-</u>
Total liabilities, deferred inflows of resources, and fund balance	<b><u>\$ 1,249,624</u></b>		
<b>Net Position</b>			
Net investment in capital assets		124,933	124,933
Restricted		33,172	33,172
Unrestricted		<u>990,168</u>	<u>990,168</u>
Total net position		<b><u>\$ 1,148,273</u></b>	<b><u>\$ 1,148,273</u></b>

# South East Regional Emergency Services Authority

## Statement of Activities/Governmental Fund Revenue, Expenditures and Changes in Fund Balance Year Ended June 30, 2016

	General Fund - Modified Accrual Basis	Adjustments (Note 2)	Statement of Activities - Full Accrual Basis
<b>Revenue</b>			
City of St. Clair Shores	\$ 808,690	\$ -	\$ 808,690
City of Eastpointe	673,909	-	673,909
City of Roseville	763,764	-	763,764
911 wireless training grants	215,082	-	215,082
Grants - Other	23,286	-	23,286
Miscellaneous	61	495	556
	2,484,792	495	2,485,287
<b>Expenditures/Expenses</b>			
Salaries	1,302,293	3,984	1,306,277
Fringe benefits	533,255	-	533,255
Operating supplies and sundry	63,760	-	63,760
Professional fees, promotion, training, and other	109,119	-	109,119
Administration fees	123,720	-	123,720
Depreciation expense	-	143,414	143,414
Capital outlay	38,407	(29,396)	9,011
	2,170,554	118,002	2,288,556
<b>Net Change in Fund Balances/Net Position</b>	314,238	(117,507)	196,731
<b>Fund Balances/Net Position - Beginning of year</b>	837,155	114,387	951,542
<b>Fund Balances/Net Position - End of year</b>	<b>\$ 1,151,393</b>	<b>\$ (3,120)</b>	<b>\$ 1,148,273</b>

# South East Regional Emergency Services Authority

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## Notes to Financial Statements June 30, 2016

### Note I - Summary of Significant Accounting Policies

The following is a summary of the significant accounting policies used by the South East Regional Emergency Services Authority (the "Authority"):

#### **Reporting Entity**

The Authority was established as a legal entity in September 2010 to oversee police, fire, and emergency medical dispatch services for the participating cities of Roseville, Eastpointe, and St. Clair Shores. The Authority's board is comprised of five members. Three members are appointed by each of the member communities. The remaining two members consist of one police chief and one fire chief appointed by the board itself. Revenue is derived principally from participating members' contributions based primarily upon dispatch calls for service annually.

#### **Accounting and Reporting Principles**

The Authority follows accounting principles generally accepted in the United States of America (GAAP) as applicable to governmental units. Accounting and financial reporting pronouncements are promulgated by the Governmental Accounting Standards Board.

#### **Report Presentation**

Governmental accounting principles require that financial reports include two different perspectives: the government-wide perspective and the fund-based perspective. The General Fund column presents its activities on the modified accrual basis of accounting, as discussed above, which demonstrates accountability for how the current resources have been spent. The government-wide column is presented on the economic resources measurement focus and the full accrual basis of accounting in order to measure the cost of providing government services and the extent to which constituents have paid the full cost of government services.

On the full accrual basis of accounting, revenue is recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

#### **Fund Accounting**

The Authority accounts for its various activities in a single fund.

**Governmental funds** include all activities that provide general governmental services that are not business-type activities. This includes the General Fund. The Authority reports the General Fund as a "major" governmental fund; the General Fund represents the Authority's primary operating fund. It accounts for all financial resources of the Authority.

# South East Regional Emergency Services Authority

## Notes to Financial Statements June 30, 2016

### Note I - Summary of Significant Accounting Policies (Continued)

#### Basis of Accounting

The governmental funds use the current financial resources measurement focus and the modified accrual basis of accounting. This basis of accounting is intended to better demonstrate accountability for how the government has spent its resources.

Expenditures are reported when the goods are received or the services are rendered. Capital outlays are reported as expenditures (rather than as capital assets) because they reduce the ability to spend resources in the future; conversely, employee benefit costs that will be funded in the future (such as sick and vacation pay) are not counted until they come due for payment.

Revenue is not recognized until it is collected, or collected soon enough after the end of the year that it is available to pay for obligations outstanding at the end of the year. For this purpose, the Authority considers amounts collected within 60 days of year end to be available for recognition. Member contributions are the Authority's main revenue source and meet the availability criterion.

#### Specific Balances and Transactions

**Cash and Cash Equivalents** - Cash and cash equivalents include cash on hand, demand deposits, and a bank certificate of deposit.

**Prepaid Expenses** - Certain payments to vendors reflect costs applicable to future fiscal years and are recorded as prepaid items in both government-wide and fund financial statements.

**Capital Assets** - Capital assets, which include leasehold improvements and equipment, are reported in the applicable governmental or business-type activities column in the government-wide financial statements. Capital assets are defined by the Authority as assets with an initial individual cost of more than \$5,000 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 estimated acquisition value at the date of donation.

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

<u>Capital Asset Class</u>	<u>Lives</u>
Leasehold improvements	10 years
Equipment	5 years

# South East Regional Emergency Services Authority

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## Notes to Financial Statements June 30, 2016

### Note I - Summary of Significant Accounting Policies (Continued)

#### Fund Balance Flow Assumption

Sometimes the Authority will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balances). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balances in the governmental fund 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 fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

#### Fund Balance Policies

Fund balance of governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. The Authority itself can establish limitations on the use of resources through either a commitment (committed fund balance) or an assignment (assigned fund balance).

The committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the government's highest level of decision-making authority. The board is the highest level of decision-making authority for the Authority that can, by adoption of an ordinance prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the ordinance remains in place until a similar action is taken (the adoption of another ordinance) to remove or revise the limitation.

Amounts in the assigned fund balance classification are intended to be used by the Authority for specific purposes, but do not meet the criteria to be classified as committed. The board or the executive director may assign fund balance. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment.

**Compensated Absences (Vacation and Sick Leave)** - It is the Authority's policy to permit employees to accumulate earned but unused sick and vacation pay benefits. All vacation pay is accrued when incurred in the Authority's financial statements. A liability for these amounts is reported in the General Fund only for employee terminations as of year end.

# South East Regional Emergency Services Authority

## Notes to Financial Statements June 30, 2016

### Note 1 - Summary of Significant Accounting Policies (Continued)

**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. Actual results could differ from those estimates.

### Note 2 - Reconciliation of Modified Accrual Financial Statements to the Full Accrual Financial Statements

Net position reported in the statement of net position column is different than the fund balance reported in the individual fund column because of the different measurement focus and basis of accounting, as discussed in Note 1. Below is a reconciliation of the differences:

<b>Total Fund Balance</b>	\$ 1,151,393
Amounts reported in the statement of net position are different because:	
Capital assets used in governmental activities are not financial resources and are not reported in the funds	124,933
Unavailable revenue related to services already performed but not yet collected is recognized as a deferred inflow of resources in the fund but is revenue in the statement of net position	495
Long-term liabilities are not due and payable in the current period and are not reported in the funds - Compensated absences	<u>(128,548)</u>
<b>Net Position</b>	<u>\$ 1,148,273</u>

# South East Regional Emergency Services Authority

## Notes to Financial Statements June 30, 2016

### Note 2 - Reconciliation of Modified Accrual Financial Statements to the Full Accrual Financial Statements (Continued)

The change in net position reported in the statement of activities column is different than the change in fund balance reported in the individual fund columns because of the different measurement focus and basis of accounting, as discussed in Note 1. Below is a reconciliation of the differences:

<b>Net Change in Fund Balances - Total Governmental Funds</b>	<b>\$ 314,238</b>
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report capital outlays as expenditures; however, in the statement of activities, these costs are allocated over their estimated useful lives as depreciation:	
Depreciation expense	(143,414)
Capital outlay	29,396
Revenue is recorded in the statement of activities when earned, but is not reported in the funds until collected	495
Long-term liabilities related to compensated absences are recorded and expensed in the government-wide funds, but not the governmental funds	<u>(3,984)</u>
<b>Change in Net Position of Governmental Activities</b>	<b><u>\$ 196,731</u></b>

### Note 3 - Cash and Cash Equivalents

Michigan Compiled Laws Section 129.91 (Public Act 20 of 1943, as amended) authorizes local governmental units to make deposits and invest in the accounts of federally insured banks, credit unions, and savings and loan associations that have offices in Michigan. The Authority is allowed to invest in bonds, securities, and other direct obligations of the United States or any agency or instrumentality of the United States; repurchase agreements; bankers' acceptances of United States banks; commercial paper rated within the two highest classifications, which matures not more than 270 days after the date of purchase; obligations of the State of Michigan or its political subdivisions, which are rated as investment grade; and mutual funds composed of investment vehicles that are legal for direct investment by local units of government in Michigan.

The Authority has designated two banks and a city pooled account for the deposit of its funds. The investment policy adopted by the Authority in accordance with Public Act 196 of 1997 has authorized investments in bonds and securities of the United States government, bank accounts, and CDs, but not the remainder of state statutory authority as listed above. The Authority's deposits and investment policies are in accordance with statutory authority.

# South East Regional Emergency Services Authority

## Notes to Financial Statements June 30, 2016

### Note 3 - Cash and Cash Equivalents (Continued)

The Authority holds its cash and investments in a checking account in its own name, a sweep account managed by the City of Roseville, and a certificate of deposit. As of June 30, 2016, the balance in the checking account was \$790,982, the balance in the sweep account was \$10,310, and the balance of the certificate of deposit was \$150,000.

The Authority's cash is subject to custodial credit risk, which is examined in more detail below:

#### Custodial Credit Risk of Bank Deposits

Custodial credit risk is the risk that in the event of a bank failure, the Authority's deposits may not be returned to it. The Authority does not have a deposit policy for custodial credit risk. At year end, the Authority had \$551,292 of bank deposits (certificates of deposit and checking and savings accounts) that were uninsured and uncollateralized. This amount includes \$10,310 of the Authority's cash that is commingled with other pooled cash managed by the City of Roseville and there is no separate insurance for the Authority. The Authority believes that due to the dollar amounts of cash deposits and the limits of FDIC insurance, it is impractical to insure all deposits. As a result, the Authority evaluates each financial institution with which it deposits funds and assesses the level of risk of each institution; only those institutions with an acceptable estimated risk level are used as depositories.

### Note 4 - Leasehold Improvements and Equipment

A summary of changes in leasehold improvements and equipment for governmental activities is as follows:

	Balance July 1, 2015	Additions	Disposals	Balance June 30, 2016
Capital assets being depreciated:				
Leasehold improvements	\$ 157,845	\$ 16,875	\$ -	\$ 174,720
Machinery and equipment	1,091,789	12,521	-	1,104,310
Subtotal	1,249,634	29,396	-	1,279,030
Accumulated depreciation:				
Leasehold improvements	71,816	16,099	-	87,915
Machinery and equipment	938,867	127,315	-	1,066,182
Subtotal	1,010,683	143,414	-	1,154,097
Net capital assets being depreciated	<u>\$ 238,951</u>	<u>\$ (114,018)</u>	<u>\$ -</u>	<u>\$ 124,933</u>

Total depreciation for the year ended June 30, 2016 was \$143,414.

# South East Regional Emergency Services Authority

## Notes to Financial Statements June 30, 2016

### Note 5 - Long-term Liabilities

The following is a summary of the long-term liabilities of the Authority for the year ended June 30, 2016:

	Balance July 1, 2015	Additions	Reductions	Balance June 30, 2016	Due Within One Year
Accrued compensated absences	\$ 124,564	\$ 179,307	\$ (175,323)	\$ 128,548	\$ 79,362

### Note 6 - Risk Management

The Authority is exposed to various risks of loss related to property loss, torts, errors and omissions, and employee injuries (workers' compensation), as well as medical benefits provided to employees. The Authority purchased commercial insurance for property loss, torts, errors and omissions, and workers' compensation claims and medical benefit claims that fulfill statutory requirements. The Authority is fully insured for claims relating to general liability, property loss claims, workers' compensation, and employee medical claims.

### Note 7 - Cost-sharing Defined Benefit Pension Plan

**Plan Description** - The St. Clair Shores General Employees' Retirement System provides pensions for all full-time employees of the City of St. Clair Shores and three employees of the Authority. The plan is a cost-sharing multiple-employer defined benefit pension plan administered by the City of St. Clair Shores. The plan issues a publicly available financial report that will be included in financial statements and required supplemental information for the system. That report may be obtained by writing to the system at the City of St. Clair Shores, 27600 Jefferson Circle Drive, St. Clair Shores, Michigan 48081.

**Benefits Provided** - The plan provides retirement, disability, and death benefits. No new hires are eligible to participate in the plan because it is a closed plan. Plan members are eligible for regular retirement benefits beginning at age 50 with 25 years of service, or at age 60 with 10 or more years of service. Depending on the applicable collective bargaining agreement, the annual benefit amount is calculated as total service multiplied by 2.5 percent of average final compensation with a maximum of either 62.5, 75, or 80 percent of average final compensation. Average final compensation is based on the highest five nonconsecutive years out of the last 10 years worked. For some collective bargaining agreements, it is calculated as the highest five consecutive years out of the last 10 years worked. All plan members are eligible for deferred retirement after 10 years of service with benefits beginning at age 60. The annual benefit amount is calculated as regular retirement, but is based on average final compensation and service at time of termination.

# South East Regional Emergency Services Authority

## Notes to Financial Statements June 30, 2016

### Note 7 - Cost-sharing Defined Benefit Pension Plan (Continued)

All plan members are eligible for duty and non-duty disability retirement. There is no age or service requirement for duty disability retirement and the annual benefit is calculated as regular retirement with a minimum benefit of 20 percent of average final compensation. Upon termination of workers' compensation or age 60, whichever occurs first, the benefit is recomputed to include additional service credit for the period workers' compensation was paid. Plan members become eligible for non-duty disability retirement at 10 or more years of service. The annual benefit is calculated as regular retirement.

All plan members are eligible for the death-in-service survivor pension benefit at 10 years of service. The annual benefit is calculated as regular retirement, but is actuarially reduced in accordance with a 100 percent joint and survivor election.

Benefit terms provide for cost-of-living adjustments to each member's retirement allowance subsequent to the member's retirement date, depending on the terms of the collective bargaining agreement. The adjustment includes a 5 percent increase at age 60 or five years after retirement, whichever is later, with a second increase of 5 percent five years after the first increase.

**Contributions** - Article 9, Section 24 of the State of Michigan constitution requires that financial benefits arising on account of employee service rendered in each year be funded during that year. Accordingly, the General Employees' Retirement Board retains an independent actuary to determine the annual contribution. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by plan members during the year, with an additional amount to finance any unfunded accrued liability. Contribution requirements of plan members are established and may be amended by the board of trustees in accordance with the City Charter, union contracts, and plan provisions. For the year ended June 30, 2016, the Authority contributed \$21,323. Under the transfer of operations agreement, the Authority is only liable for the payment of the normal cost portion of the annual contribution.

**Payable to the Pension Plan** - At June 30, 2016, the Authority had no outstanding amount for contributions to the plan required for the year ended June 30, 2016.

**Net Pension Liability, Deferrals, and Pension Expense** - At June 30, 2016, the Authority did not report a net pension liability. The net pension liability was measured as of June 30, 2016. The Authority pays the normal cost to the City of St. Clair Shores each year and 100 percent of the net pension liability remains with the City of St. Clair Shores. The net pension liability was measured as of June 30, 2016

# South East Regional Emergency Services Authority

## Notes to Financial Statements June 30, 2016

### Note 7 - Cost-sharing Defined Benefit Pension Plan (Continued)

**Actuarial Assumptions** - The total pension liability in the June 30, 2016 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	4.0 %	
Salary increases	5.9 %	Average, including inflation
Investment rate of return	8.0 %	Net of pension plan investment expense, including inflation

Mortality rates were based on the RP-2000 table projected to 2008. This table provides no margin for future mortality improvement. The actuarial assumptions used in the June 30, 2016 valuation were based on the results of the actuarial experience study for the period from 2002 to 2007.

**Discount Rate** - The discount rate used to measure the total pension liability was 8.0 percent. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the employee rate.

**Projected Cash Flows** - Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make 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.

The long-term expected rate of return on pension plan investments was determined using a building-block method, in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return as of June 30, 2016 are as follows:

Asset Class	Target Allocation	Long-term Expected Real Rate of Return
Global equity	56 %	8.0 %
Global fixed	30	2.9
Hedge funds	6	4.0
Real estate	6	8.0
Cash	2	1.0

# South East Regional Emergency Services Authority

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## Notes to Financial Statements June 30, 2016

### **Note 8 - Defined Contribution Retirement Plan**

Employees of the Authority, except those previously covered by the City of St. Clair Shores General Employees' Retirement System, are participants in a defined contribution plan sponsored by the Authority. The plan requires an employer contribution of 10 percent of the employee's base wages and a required employee contribution of 5 percent of an employee's base wages. Employer contributions vest at the end of eight years of service. In accordance with these requirements, the Authority contributed \$100,934 and employees contributed \$50,467.

### **Note 9 - Defined Benefit Retiree Healthcare Plan**

**Plan Description** - Former employees of the City of St. Clair Shores continue to be covered under the City of St. Clair Shores General Retiree Healthcare Plan, with the Authority covering payments for current service, as calculated by an actuary. The plan is a defined benefit healthcare plan that is administered by the City of St. Clair Shores. This cost-sharing plan covers most full-time employees of the City of St. Clair Shores and three employees of the Authority. The City of St. Clair Shores General Retiree Healthcare Plan provides medical and prescription benefits to eligible retirees and their dependents. The plan does not issue a separately financial report and is included in the City of St. Clair Shores' financial statements. The report is publicly available and can be obtained at the City of St. Clair Shores, 27600 Jefferson Circle Drive, St. Clair Shores, MI 48081.

**Funding Policy** - The obligation to contribute to and maintain the City of St. Clair Shores General Retiree Healthcare Plan for these employees was established by negotiation with the City of St. Clair Shores' and the Authority's competitive bargaining units. The Authority's required contribution and actual contributions for the years ended June 30, 2016, 2015, and 2014 were \$44,274, \$65,362, and \$76,314, respectively. The annual required contributions were actuarially determined based on the Authority's portion of the normal cost.

### **Note 10 - Defined Contribution Retiree Healthcare Plan**

Employees of the Authority, except those previously covered by the City of St. Clair Shores Retiree Healthcare Plan, are participants in a retirement health savings defined contribution plan sponsored by the Authority. The plan requires an employer contribution of 2.0 percent of the employee's base wages and a required employee contribution of 1.0 percent of an employee's base wages. In accordance with these requirements, the Authority contributed \$19,958 during the current year and the employees contributed \$9,979.

# South East Regional Emergency Services Authority

## Notes to Financial Statements June 30, 2016

### Note 11 - Participating Municipalities

South East Regional Emergency Services Authority is a joint venture of three municipalities. Participating municipalities include the cities of Roseville, Eastpointe, and St. Clair Shores, Michigan. The municipalities record an equity interest in the Authority's net position.

The following table summarizes the municipalities' current equity interest percentages and cumulative equity interest as of June 30, 2016:

	Equity Interest Percentage	Equity Interest
Roseville	34.0 %	\$ 463,548
Eastpointe	30.0	300,140
St. Clair Shores	36.0	384,585

### Note 12 - Upcoming Accounting Pronouncements

In June 2015, the GASB issued two new standards addressing accounting and financial reporting by state and local governments for postemployment benefits other than pensions (OPEB). GASB Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, addresses reporting by OPEB plans whereas GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, addresses accounting and reporting by employer governments that provide OPEB benefits to their employees. Along with the currently required statement of fiduciary net position and statement of changes in fiduciary net position, OPEB plans will now be required to include in the financial statements more extensive footnote disclosures and required supplemental information related to the measurement of the OPEB liabilities for which assets have been accumulated. In addition, the Authority will, after adoption of GASB Statement No. 75, recognize on the face of the financial statements its net OPEB liability. The Authority is currently evaluating the impact these standards will have on the financial statements when adopted. GASB Statement No. 74 is effective for fiscal years beginning after June 15, 2016 whereas GASB Statement No. 75 is effective one year later.

## **Required Supplemental Information**

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# South East Regional Emergency Services Authority

## Required Supplemental Information Budgetary Comparison Schedule - General Fund Year Ended June 30, 2016

	Original Budget	Amended Budget	Actual	Variance with Amended Budget
<b>Revenue</b>				
Member contributions	\$ 2,246,362	\$ 1,883,738	\$ 2,246,363	\$ 362,625
911 wireless training grants	266,991	215,082	215,082	-
Grants - Other	27,500	25,500	23,286	(2,214)
Miscellaneous	100	100	61	(39)
Investment earnings	100	225	-	(225)
Total revenue	2,541,053	2,124,645	2,484,792	360,147
<b>Expenditures/Expenses</b>				
Salaries	1,516,962	1,273,796	1,302,293	(28,497)
Fringe benefits	612,271	492,901	533,255	(40,354)
Operating supplies and sundry	89,500	78,830	63,760	15,070
Professional fees, promotion, training, and other	148,600	121,750	109,119	12,631
Administrative fee	123,720	123,720	123,720	-
Capital outlay	205,000	188,648	38,407	150,241
Total expenditures/expenses	2,696,053	2,279,645	2,170,554	109,091
<b>Excess of Revenue (Under) Over Expenditures</b>	(155,000)	(155,000)	314,238	469,238
<b>Fund Balances - Beginning of year</b>	837,155	837,155	837,155	-
<b>Fund Balances - End of year</b>	<b>\$ 682,155</b>	<b>\$ 682,155</b>	<b>\$ 1,151,393</b>	<b>\$ 469,238</b>

# South East Regional Emergency Services Authority

## Note to Required Supplemental Information Year Ended June 30, 2016

**Budgetary Information** - The annual budget is prepared and adopted by South East Regional Emergency Services Authority members; subsequent amendments are approved by the Authority's members. Unexpended appropriations lapse at year end; encumbrances are not included as expenditures. The amount of encumbrances outstanding at June 30, 2016 has not been calculated. During the current year, the budget was amended in a legally permissible manner and approved prior to June 30, 2016. The impact of the amendments on total budgeted revenue and expenditures is as follows:

Revenue - Decrease	\$ (416,408)
Expenditures - Decrease	(416,408)

The budget statement (statement of revenue, expenditures, and changes in fund balance - budget and actual - General Fund) is presented in accordance with accounting principles generally accepted in the United States of America, which is the same basis of accounting used in preparing the adopted budget. The budget has been adopted at the program unit level; expenditures at this level in excess of amounts budgeted are a violation of Michigan law. There were unfavorable budget variances in the salaries and fringe benefits line items. A comparison of actual results of operations to the budget as adopted is included in the required supplemental information.

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Salaries	\$ 1,273,796	\$ 1,302,293	\$ (28,497)
Fringe benefits	492,901	533,255	(40,354)

# South East Regional Emergency Services Authority

## Required Supplemental Information Schedule of Authority Contributions St. Clair Shores General Employees' Retirement System Last Five Fiscal Years

	2016	2015	2014	2013	2012	2011
Contractually required contribution	\$ 21,903	\$ 22,529	\$ 33,025	\$ 31,774	\$ 58,563	\$ 27,913
Contributions in relation to the contractually required contribution	<u>21,903</u>	<u>22,529</u>	<u>33,025</u>	<u>31,774</u>	<u>58,563</u>	<u>27,913</u>
<b>Contribution Deficiency</b>	<u>\$ -</u>					
<b>Authority's Covered Employee Payroll</b>	\$ 163,687	\$ 169,742	\$ 233,959	\$ 297,233	\$ 393,244	\$ 176,330
<b>Contributions as a Percentage of Covered Employee Payroll</b>	13.4 %	13.3 %	14.1 %	10.7 %	14.9 %	15.8 %

# South East Regional Emergency Services Authority

## Required Supplemental Information Schedule of the Authority's Proportionate Share of the Net Pension Liability St. Clair Shores General Employees' Retirement System Last Six Fiscal Years

	2016	2015	2014	2013	2012	2011
Authority's proportion of the net pension liability (asset)	- %	- %	- %	- %	- %	- %
Authority's proportionate share of the net pension liability (asset)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Authority's covered employee payroll	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Authority's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Employee Payroll</b>	- %	- %	- %	- %	- %	- %
<b>Plan Fiduciary Net Position as a Percent of Total Pension Liability</b>	- %	- %	- %	- %	- %	- %