Downriver Mutual Aid

Financial Report
with Supplemental Information
September 30, 2022

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Independent Auditor's Report

To the Board of Directors
Downriver Mutual Aid

Opinions

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Downriver Mutual Aid (the "DMAid") as of and for the year ended September 30, 2022 and the related notes to the financial statements, which collectively comprise the DMAid's basic financial statements, as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the DMAid as of September 30, 2022 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.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of the DMAid 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 DMAid'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 GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

To the Board of Directors
Downriver Mutual Aid

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the DMAid'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 DMAid'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 Supplemental Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and other required supplemental information, as identified in the table of 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, 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.

Supplemental Information

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

March 16, 2023

As management of Downriver Mutual Aid (DMAid), we offer readers this narrative overview and analysis of the financial activities for the year ended September 30, 2022.

Financial Highlights

Effective July 1, 2009, the user fees from the E-911 revenue increased to 42 cents per line. Telecommunication companies submit the user fees on a quarterly basis to the Wayne County treasurer's office, which in turn issues revenue checks to the E-911 districts.

Using This Annual Report

This annual report consists of a series of financial statements. The statement of net position and the statement of activities provide information about the activities of DMAid as a whole and present a longer-term view of DMAid's finances. This longer-term view uses the accrual basis of accounting so that it can measure the cost of providing services during the current year and whether the taxpayers have funded the full cost of providing government services.

The fund financial statements present a short-term view; they tell the reader how the taxpayers' resources were spent during the year and how much is available for future spending. Fund financial statements also report DMAid's operations in more detail than the government-wide financial statements by providing information about DMAid's most significant funds.

DMAid's Net Position

	Governmental Activities	
	2022	2021
Assets		
Current and other assets	$ 6,355,658	$ 5,013,566
Capital assets	2,772,932	3,621,339
Total assets	9,128,590	8,634,905
Liabilities - Current	168,003	117,513
Net Position		
Net investment in capital assets	2,772,932	3,621,339
Restricted:		
911 expenditures	4,560,730	3,377,514
Grant expenditures	-	731,582
Police expenditures	108,059	104,789
Fire expenditures	456,706	409,350
Major Crimes Task Force expenditures	1,062,160	272,818
Unrestricted	-	-
Total net position	**$ 8,960,587**	**$ 8,517,392**

DMAid's combined net position totals approximately $8.9 million for the fiscal year ended September 30, 2022. Net position is further segregated between restricted and unrestricted net position. The restricted net position, which is restricted for a specific purpose/use, and net investment in capital assets total approximately $8.96 million.

DMAid's Changes in Net Position

	Governmental Activities	
	2022	2021
Revenue		
Program revenue - Operating grants and contributions	$ 2,842,941	$ 2,394,667
General revenue - Other:		
Membership assessments	107,820	107,820
Investment earnings	22,102	10,703
Other revenue	2,732	14,886
Total revenue	2,975,595	2,528,076
Expenses		
Public safety:		
Police	105,289	76,481
Fire	270,829	157,393
Major Crimes Task Force operations	57,337	14,328
Highway safety	138,475	133,325
911	1,960,470	1,857,096
Michigan State Police/Chief	-	24,498
Debt service	-	6,133
Total expenses	2,532,400	2,269,254
Change in Net Position	443,195	258,822
Net Position - Beginning of year, as previously reported	8,517,392	8,390,245
Cumulative Effect of Change in Accounting	-	(131,675)
Net Position - Beginning of year	8,517,392	8,258,570
Net Position - End of year	**$ 8,960,587**	**$ 8,517,392**

Governmental Activities

Governmental activities are those activities (such as police and fire) provided to the constituents of DMAid and supported by member assessments, forfeitures, and grants. Revenue and expenses vary from year to year depending on grant awards and related expenditures, as well as forfeiture receipts and related distributions to participating agencies. Operating grants and contributions increased by approximately $448,000, or 17.7 percent, primarily due to a slight increase in 911 revenue and interest earned on that cumulative revenue in 2022 from previous years.

Financial Analysis of Individual Funds

Our analysis of DMAid's major funds begins on page 8, following the government-wide financial statements. The fund financial statements provide detailed information about the most significant funds, not DMAid as a whole. The DMAid board creates funds to help manage money for specific purposes and to show accountability for certain activities. DMAid's major funds for 2022 include Highway Safety, the 911 activities, Michigan state police/chief activity, and the Major Crimes Task Force fund.

Capital Assets and Debt Administration

At the end of 2022, DMAid had $3.6 million invested in a broad range of capital assets, including 911 equipment. These assets are necessary to carry out the day-to-day operations of DMAid.

Economic Factors and Next Year's Budgets and Rates

The money collected from the 911 user fees is used to pay for operating and capital expenditures. The rate of .42 per device has been in place since for over 30 years. There is no sunset provision in place

Contacting Downriver Mutual Aid Management

This financial report is intended to provide our citizens, customers, and member communities with a general overview of DMAid's finances and to show DMAid's accountability for the money it receives. If you have questions about this report or need additional information, we welcome you to contact the accounting office.

Downriver Mutual Aid

Statement of Net Position

	September 30, 2022
Assets	
Cash and cash equivalents (Note 3)	$ 5,087,819
Receivables	564,035
Due from Downriver Community Conference (Note 6)	703,804
Capital assets - Assets subject to depreciation (Note 4)	2,772,932
Total assets	9,128,590
Liabilities - Accrued liabilities and other	168,003
Net Position	
Net investment in capital assets	2,772,932
Restricted:	
911 expenditures	4,560,730
Police expenditures	108,059
Fire expenditures	456,706
Major Crimes Task Force expenditures	1,062,160
Total net position	**$ 8,960,587**

See notes to financial statements.

Statement of Activities

Year Ended September 30, 2022

	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Net Revenue (Expense) and Changes in Net Position Governmental Activities
Functions/Programs					
Primary government:					
Governmental activities:					
Public safety:					
Police	$ 105,289	$ -	$ 75,573	$ -	$ (29,716)
Fire	270,829	100,569	219,871	-	49,611
Major Crimes Task Force operations	57,337	-	-	-	(57,337)
Highway safety	138,475	-	138,475	-	-
911	1,960,470	-	2,308,453	-	347,983
Total primary government	**$ 2,532,400**	**$ 100,569**	**$ 2,742,372**	**$ -**	310,541
General revenue:					
Membership assessments					107,820
Unrestricted investment income					22,102
Other miscellaneous income					2,732
Total general revenue					132,654
Change in Net Position					443,195
Net Position - Beginning of year					8,517,392
Net Position - End of year					**$ 8,960,587**

See notes to financial statements.

Governmental Funds Balance Sheet

September 30, 2022

	Highway Safety	911	Fire	Major Crimes Task Force	Nonmajor Governmental Funds	Total Governmental Funds
Assets						
Cash and cash equivalents (Note 3)	$ -	$ 4,127,663	$ 460,701	$ 392,373	$ 107,082	$ 5,087,819
Receivables	50,959	447,379	50,181	-	15,516	564,035
Due from other funds	-	-	-	696	-	696
Due from Downriver Community Conference (Note 6)	-	-	-	703,804	-	703,804
Total assets	**$ 50,959**	**$ 4,575,042**	**$ 510,882**	**$ 1,096,873**	**$ 122,598**	**$ 6,356,354**
Liabilities						
Due to other funds	$ 696	$ -	$ -	$ -	$ -	$ 696
Accrued liabilities and other	50,263	14,312	54,176	34,713	14,539	168,003
Total liabilities	50,959	14,312	54,176	34,713	14,539	168,699
Deferred Inflows of Resources - Unavailable revenue	50,959	370,097	-	-	-	421,056
Total liabilities and deferred inflows of resources	101,918	384,409	54,176	34,713	14,539	589,755
Fund Balances (Deficit)						
Restricted:						
911 expenditures	-	4,190,633	-	-	-	4,190,633
Police	-	-	-	-	108,059	108,059
Fire	-	-	456,706	-	-	456,706
Major Crimes Task Force operations	-	-	-	1,062,160	-	1,062,160
Unassigned	(50,959)	-	-	-	-	(50,959)
Total fund balances (deficit)	(50,959)	4,190,633	456,706	1,062,160	108,059	5,766,599
Total liabilities, deferred inflows of resources, and fund balances (deficit)	**$ 50,959**	**$ 4,575,042**	**$ 510,882**	**$ 1,096,873**	**$ 122,598**	**$ 6,356,354**

See notes to financial statements.

Governmental Funds
Reconciliation of the Balance Sheet to the Statement of Net Position

	September 30, 2022
Fund Balances Reported in Governmental Funds	$ 5,766,599
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not financial resources and are not reported in the funds	2,772,932
Receivables that are not collected soon after year end are not available to pay for current period expenditures and, therefore, are reported as unavailable revenue in the funds	421,056
Net Position of Governmental Activities	**$ 8,960,587**

See notes to financial statements.

Governmental Funds
Statement of Revenue, Expenditures, and Changes in Fund Balances

Year Ended September 30, 2022

	Highway Safety	911	Fire	Major Crimes Task Force	Nonmajor Governmental Funds	Total Governmental Funds
Revenue						
Membership assessments	$ -	$ -	$ 219,871	$ 107,820	$ 75,573	$ 403,264
Federal grants	149,284	-	-	-	-	149,284
Reimbursements	-	26,142	100,569	-	-	126,711
911 user charges	-	2,851,240	-	-	-	2,851,240
Other revenue	-	21,297	-	4,085	853	26,235
Total revenue	149,284	2,898,679	320,440	111,905	76,426	3,556,734
Expenditures						
Current services:						
Salaries	1,169	125,577	46,194	9,776	13,815	196,531
Fringe benefits	782	13,401	5,187	2,874	2,383	24,627
Professional services	1,050	524,401	59,535	6,668	5,993	597,647
Office supplies	-	6,934	14,858	9	1,081	22,882
Communication costs	-	1,694	1,321	402	2,667	6,084
Maintenance	-	391,836	5,267	12	232	397,347
Building rent	-	10,448	5,560	92	191	16,291
Training	-	2	7,901	-	15,725	23,628
Business meetings	-	520	3,712	-	1	4,233
Insurance	-	29,801	7,246	6	3,808	40,861
Manpower reimbursement	135,474	-	105,178	-	-	240,652
Miscellaneous	-	39,776	829	291	16,684	57,580
Capital outlay	-	2,144	10,296	30,824	10,307	53,571
Total expenditures	138,475	1,146,534	273,084	50,954	72,887	1,681,934
Transfers in	-	-	-	245,605	-	245,605
Transfers out	-	-	-	-	(245,605)	(245,605)
Total other financing sources (uses)	-	-	-	245,605	(245,605)	-
Net Change in Fund Balances	10,809	1,752,145	47,356	306,556	(242,066)	1,874,800
Fund Balances (Deficit) - Beginning of year	(61,768)	2,438,488	409,350	755,604	350,125	3,891,799
Fund Balances (Deficit) - End of year	**$ (50,959)**	**$ 4,190,633**	**$ 456,706**	**$ 1,062,160**	**$ 108,059**	**$ 5,766,599**

See notes to financial statements.

Governmental Funds
Reconciliation of the Statement of Revenue, Expenditures, and Changes in Fund Balances to the Statement of Activities

Year Ended September 30, 2022

Net Change in Fund Balances Reported in Governmental Funds	$	1,874,800
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:		
Capital outlay		51,647
Depreciation expense		(900,054)
Revenue in the statement of activities that does not provide current financial resources is not reported as revenue in the funds until it is available		(583,198)
Change in Net Position of Governmental Activities	**$**	**443,195**

See notes to financial statements.

Fiduciary Funds
Statement of Fiduciary Net Position

September 30, 2022

	Custodial Funds		
	Shared Information Network Consortium	FBI Chief	Total Fiduciary Funds
Assets			
Cash and cash equivalents	$ 209,736	$ 230,033	$ 439,769
Receivables	14,179	-	14,179
Total assets	223,915	230,033	453,948
Liabilities - Accrued liabilities and other	62,130	1,507	63,637
Net Position			
Restricted for public safety and other governments	$ 161,785	$ 228,526	$ 390,311
Total net position	**$ 161,785**	**$ 228,526**	**$ 390,311**

See notes to financial statements.

Fiduciary Funds
Statement of Changes in Fiduciary Net Position

Year Ended September 30, 2022

	Custodial Funds		
	Shared Information Network Consortium	FBI Chief	Total Fiduciary Funds
Additions			
Investment income - Interest and dividends	$ 590	$ 753	$ 1,343
Member contributions	232,732	-	232,732
Forfeitures	-	160,549	160,549
Total additions	233,322	161,302	394,624
Deductions			
Salaries	936	386	1,322
Fringe benefits	2,419	247	2,666
Professional services	294,632	7	294,639
Office supplies	50	-	50
Miscellaneous	52,933	6,841	59,774
Forfeitures distributed	-	30,600	30,600
Total deductions	350,970	38,081	389,051
Net Increase (Decrease) in Fiduciary Net Position	(117,648)	123,221	5,573
Net Position - Beginning of year	279,433	105,305	384,738
Net Position - End of year	**$ 161,785**	**$ 228,526**	**$ 390,311**

See notes to financial statements.

Note 1 - Significant Accounting Policies

Reporting Entity

Downriver Mutual Aid (DMAid) is a program funded by 18 communities of the southern Wayne County area of Metropolitan Detroit. Each member community has a representative on the board of directors. It was established to enhance the separate operations of the various communities through its mutual police, fire, and narcotics divisions. DMAid is administered by Downriver Community Conference (DCC) and is coordinated with the Michigan State Police. DMAid has received approval of its interlocal agreement from the governor of the State of Michigan. This agreement recognizes DMAid as a separate legal entity. In accordance with government accounting principles, there are no separate legal entities appropriate to be reported within these financial statements.

Accounting and Reporting Principles

DMAid 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. The following is a summary of the significant accounting policies used by DMAid:

Report Presentation

Governmental accounting principles require that financial reports include two different perspectives - the government-wide perspective and the fund-based perspective. The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government and its component units, as applicable. The government-wide financial statements are presented on the economic resources measurement focus and the full accrual basis of accounting. Property taxes are recognized as revenue in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. The statements also present a schedule reconciling these amounts to the modified accrual-based presentation found in the fund-based statements.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenue. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenue includes: (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. Taxes, unrestricted intergovernmental receipts, and other items not properly included among program revenue are reported instead as general revenue.

As a general rule, the effect of interfund activity has been removed from the government-wide financial statements.

Major individual governmental funds are reported as separate columns in the fund financial statements.

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 DMAid 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. In addition, debt service expenditures, claims, and judgments are recorded only when payment is due.

Note 1 - Significant Accounting Policies (Continued)

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, DMAid considers amounts collected within 60 days of year end to be available for recognition. Conversely, federal grant reimbursements that will be collected after the period of availability have been recorded as deferred inflows, along with a receivable.

Fund Accounting

DMAid accounts for its various activities in several different funds in order to demonstrate accountability for how it spends certain resources; separate funds allow DMAid to show the particular expenditures for which specific revenue is used. The various funds are aggregated into two broad fund types:

Governmental Funds

Governmental funds include all activities that provide general governmental services that are not business-type activities. This includes special revenue funds. DMAid reports the following funds as major governmental funds:

- The Highway Safety Fund accounts for a federal program to provide additional law enforcement on area highways.
- The 911 Fund accounts for the activity of the 911 services that are provided to the downriver communities.
- The Fire Fund accounts for the activity of the special operations services DMA provide such as HAZMAT, Fire Investigation, DIVE team and Logistical Scene support.
- The Major Crimes Task Force fund accounts for activity for additional public safety services like police assistance in the community, drug enforcement and team expenses.

Fiduciary Funds

Fiduciary funds include amounts held in a fiduciary capacity for others. These amounts are not used to operate DMAid's programs. Activities that are reported as fiduciary include the following:

The Shared Information Network Consortium (SINC) Fund consists of 13 downriver police departments. The purpose of the SINC Fund is to share costs associated with 911 computer aided dispatch, records management, jail management, mobile field reporting, and GIS mapping services.

The FBI Chief Fund accounts for the general activities of the FBI Chief task force on the state level.

Interfund Activity

During the course of operations, DMAid has activity between funds for various purposes. Any residual balances outstanding at year end are reported as due from/to other funds and advances to/from other funds. While these balances are reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Balances between the funds included in governmental activities are eliminated so that only the net amount is included as internal balances in the governmental activities column.

Furthermore, certain activity occurs during the year involving transfers of resources between funds. In fund financial statements, these amounts are reported at gross amounts as transfers in/out. While reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Transfers between the funds included in governmental activities are eliminated so that only the net amount is included as transfers in the governmental activities column.

Note 1 - Significant Accounting Policies (Continued)

Specific Balances and Transactions

Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, demand deposits, and short-term investments with a maturity of three months or less when acquired.

Receivables and Payables

In general, outstanding balances between funds are reported as due to/due from other funds. Activity between funds that is representative of lending/borrowing arrangements outstanding at the end of the fiscal year is referred to as advances to/from other funds.

Capital Assets

Capital assets, which include 911 equipment, are reported in the governmental activities column in the government-wide financial statements. Capital assets are defined by DMAid as assets with an initial individual cost of more than $500 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.

911 equipment is depreciated using the straight-line method over useful lives of 5 to 20 years. Furniture, equipment, and vehicles are depreciated over 3 to 12 years.

Long-term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the governmental activities statement of net position. Bond issuance costs are expensed at the time they are incurred. In the fund financial statements, governmental fund types recognize bond issuances and premiums as other financing sources and bond discounts as other financing uses. The 911 Fund is used to liquidate governmental long-term debt.

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position and/or balance sheet will sometimes report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to future periods and will not be recognized as an outflow of resources (expense/expenditure) until then.

DMAid did not report deferred outflows in the current year.

In addition to liabilities, the statement of net position and/or balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to future periods and will not be recognized as an inflow of resources (revenue) until that time.

DMAid reports deferred inflows related to unavailable revenue in the governmental funds balance sheet only. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

Net Position

Net position of DMAid is classified in three components. Net investment in capital assets consists of capital assets net of accumulated depreciation and is reduced by the current balances of any outstanding borrowings used to finance the purchase or construction of those assets. The restricted component of net position consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets. Unrestricted net position is the remaining net position that does not meet the definition of invested in capital or restricted.

Note 1 - Significant Accounting Policies (Continued)

Net Position Flow Assumption

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

Fund Balance Flow Assumptions

DMAid will sometimes fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance 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 DMAid's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Furthermore, 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.

Forfeited Property

As of September 30, 2022, DMAid had acquired various assets through forfeiture. These assets are not recorded in the financial statements since no objective basis of valuation has been determined and the assets do not represent a spendable financial resource. If and when those assets are sold at an auction, the proceeds from the sale are recorded as revenue. Cash received during raids and other activities is recognized as revenue after adjudication and offset of various expense. Unadjudicated funds are included in the FBI Chief fund

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.

Upcoming Accounting Pronouncements

In May 2020, the Governmental Accounting Standards Board issued Statement No. 96, *Subscription-Based Information Technology Arrangements (SBITAs)*, which defines SBITAs and provides accounting and financial reporting for SBITAs by governments. This statement requires a government to recognize a subscription liability and an intangible right-to-use subscription asset for SBITAs. DMAid is currently evaluating the impact this standard will have on the financial statements when adopted. The provisions of this statement are effective for DMAid's financial statements for the year ending September 30, 2023.

Adoption of New Accounting Pronouncement

During the current year, the DMAid adopted GASB Statement No. 87, *Leases*. There was no impact on the financial reporting for DMAid.

Note 2 - Stewardship, Compliance, and Accountability

Noncompliance with Legal or Contractual Provisions

DMAid was not in compliance with the State of Michigan Public Act 2 of 1968, Uniform Budgeting and Accounting Act, Section 141.435 (2), which requires total budgeted expenditures not to exceed estimated revenue plus accumulated fund balance. DMAid's final budget for the Highway Safety Fund resulted in a projected deficit.

DMAid has a fund deficit in the Highway Safety Fund, which is a result of grant revenue not recorded as revenue in the current year since it was not available to finance expenditures of the current period (received within 60 days of year end) in accordance with GASB Statement No. 33.

Note 3 - Deposits and Investments

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 law also allows investments outside the state of Michigan when fully insured. The local unit 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 that matures no more than 270 days after the date of purchase; obligations of the State of Michigan or its political subdivisions that 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.

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

DMAid's cash and investments are subject to several types of risk, which are 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, DMAid's deposits may not be returned to it. DMAid does not have a deposit policy for custodial credit risk. The bank deposits of both DMAid and the related party Downriver Community Conference (as described in Note 6) are held in Downriver Community Conference's name. Therefore, the custodial credit risk can only be calculated on an overall basis for both entities. At year end, Downriver Community Conference and Downriver Mutual Aid had bank deposits of $7,903,449(checking and savings accounts) that were uninsured and uncollateralized. The cash balances (including restricted assets) recorded on the financial statements for Downriver Community Conference and DMAid at September 30, 2022 totaled $2,953,964 and $5,087,819, respectively. DMAid 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, DMAid 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.

Interest Rate Risk

Interest rate risk is the risk that the value of investments will decrease as a result of a rise in interest rates. DMAid's investment policy does not restrict investment maturities other than commercial paper, which can only be purchased with a 270-day maturity. At September 30, 2022, DMAid does not have investments with credit risk.

Note 3 - Deposits and Investments (Continued)

Credit Risk

State law limits investments in commercial paper to the top two ratings issued by nationally recognized statistical rating organizations. DMAid has no investment policy that would further limit its investment choices. At September 30, 2022, DMAid does not have investments with custodial credit risk.

Note 4 - Capital Assets

Capital asset activity of DMAid's governmental activities was as follows:

Governmental Activities

	Balance October 1, 2021	Additions	Disposals and Adjustments	Balance September 30, 2022
Capital assets being depreciated:				
Furniture and equipment	$ 945,510	$ 53,557	$ (2,939)	$ 996,128
Vehicles	171,733	-	-	171,733
911 system	9,568,244	-	-	9,568,244
Subtotal	10,685,487	53,557	(2,939)	10,736,105
Accumulated depreciation:				
Furniture and equipment	636,184	84,166	(1,029)	719,321
Vehicles	170,168	-	-	170,168
911 system	6,257,796	815,888	-	7,073,684
Subtotal	7,064,148	900,054	(1,029)	7,963,173
Net capital assets	$ 3,621,339	$ (846,497)	$ (1,910)	$ 2,772,932

Depreciation expense was charged to programs of the primary government as follows:

Governmental activities:	
911 system	$ 815,888
Other programs	84,166
Total governmental activities	$ 900,054

Note 5 - Assets Held in Trust

DMAid holds cash and other assets seized as evidence. At September 30, 2022, the cash balance recorded in the financial statements was $186,111. In addition, DMAid holds other noncash assets related to pending cases. The value of the noncash assets has not been recorded. Upon resolution of the cases, the assets either are returned to the owners, are destroyed, or become the property of DMAid.

Note 6 - Related Party Transactions

The directors and officers of Downriver Community Conference (DCC), a related organization, are also directors and officers of DMAid.

DCC performs administrative and accounting services for DMAid. During the year ended September 30, 2022, there were transactions related to the central cost allocation plan and expenditure reimbursements between DCC and Downriver Mutual Aid totaling $34,177, which were recorded as expenditures on the financial statements.

Note 6 - Related Party Transactions (Continued)

During the year ended September 30, 2022, DCC had cash shortfalls that were covered by the Major Crimes Task Force Fund, which are reflected as due from Downriver Community Conference on the financial statements.

In addition, DMAid reimburses member communities for various expenditures, distributes forfeited funds from adjudicated enforcement activity seizures, and purchases equipment on behalf of member communities. These amounts are outlined below:

Related party:		
City of Allen Park, Michigan	$	7,336
Brownstown Township		6,339
City of Dearborn, Michigan		34,180
DMA 911		3,172
City of Flat Rock, Michigan		3,984
City of Grosse Ile, Michigan		4,860
Huron Township		7,940
City of Lincoln Park, Michigan		9,802
City of Riverview, Michigan		2,700
City of Rockwood, Michigan		8,514
City of Southgate, Michigan		8,739
City of Taylor, Michigan		22,035
City of Trenton, Michigan		7,889
City of Woodhaven, Michigan		1,440
City of Wyandotte, Michigan		6,693
Total related party		135,623
Non-related-party amounts		105,029
Total	$	240,652

Note 7 - Interfund Receivables, Payables, and Transfers

The composition of interfund balances is as follows:

Receivable Fund	Payable Fund		Amount
Major Crimes Task Force Fund	Highway Safety	$	696

Paying Fund (Transfer Out)	Receiving Fund (Transfer In)		Amount
Nonmajor Governmental Funds	Major Crimes Task Force Group	$	245,605

The transfers from the Nonmajor Governmental Funds to the Major Crimes Task Force fund represent the use of unrestricted resources to finance those programs in accordance with budgetary authorizations.

Required Supplemental Information

Required Supplemental Information
Budgetary Comparison Schedule - Major Special Revenue Funds
911

Year Ended September 30, 2022

	Original Budget	Amended Budget	Actual	Variance with Amended Budget
Revenue				
Fines and forfeitures	$ 3,700	$ 20,544	$ -	$ (20,544)
Reimbursements	-	27,000	26,142	(858)
911 user charges:				
Cell phone - Wayne County	635,000	668,647	594,141	(74,506)
Land line	1,260,000	2,235,640	2,257,099	21,459
Other revenue	-	-	21,297	21,297
Total revenue	1,898,700	2,951,831	2,898,679	(53,152)
Expenditures				
Current services:				
Public safety:				
Salaries	88,196	132,190	125,577	6,613
Fringe benefits	10,955	15,613	13,401	2,212
Office supplies	650	12,277	6,934	5,343
Building rent	32,205	467,120	10,448	456,672
Travel	3,000	3,151	2	3,149
Other	1,024,285	728,674	988,028	(259,354)
Capital outlay	-	4,907	2,144	2,763
Total expenditures	1,159,291	1,363,932	1,146,534	217,398
Net Change in Fund Balance	739,409	1,587,899	1,752,145	164,246
Fund Balance - Beginning of year	2,438,488	2,438,488	2,438,488	-
Fund Balance - End of year	**$ 3,177,897**	**$ 4,026,387**	**$ 4,190,633**	**$ 164,246**

See notes to required supplemental information.

Required Supplemental Information
Budgetary Comparison Schedule - Major Special Revenue Funds (Continued)
Highway Safety

Year Ended September 30, 2022

	Original Budget	Amended Budget	Actual	Variance with Amended Budget
Revenue - Federal grants	$ 236,140	$ 236,140	$ 149,284	$ (86,856)
Expenditures				
Current services:				
Public safety:				
Salaries	900	1,222	1,169	53
Fringe benefits	396	727	782	(55)
Other miscellaneous	234,844	234,191	136,524	97,667
Total expenditures	236,140	236,140	138,475	97,665
Net Change in Fund Balance	-	-	10,809	10,809
Fund Balance (Deficit) - Beginning of year	(61,768)	(61,768)	(61,768)	-
Fund Balance (Deficit) - End of year	**$ (61,768)**	**$ (61,768)**	**$ (50,959)**	**$ 10,809**

See notes to required supplemental information.

Required Supplemental Information
Budgetary Comparison Schedule - Major Special Revenue Funds (Continued)
Fire

Year Ended September 30, 2022

	Original Budget	Amended Budget	Actual	Variance with Amended Budget
Revenue				
Membership assessments	$ 219,871	$ 219,871	$ 219,871	$ -
Reimbursements	15,000	100,569	100,569	-
Total revenue	234,871	320,440	320,440	-
Expenditures				
Current services:				
Public safety:				
Salaries	33,801	48,159	46,194	1,965
Fringe benefits	9,015	5,874	5,187	687
Office supplies	15,500	10,470	14,858	(4,388)
Building rent	8,179	11,944	5,560	6,384
Travel	6,900	902	829	73
Other	136,825	143,311	190,160	(46,849)
Capital outlay	-	16,471	10,296	6,175
Total expenditures	210,220	237,131	273,084	(35,953)
Net Change in Fund Balance	24,651	83,309	47,356	(35,953)
Fund Balance - Beginning of year	409,350	409,350	409,350	-
Fund Balance - End of year	**$ 434,001**	**$ 492,659**	**$ 456,706**	**$ (35,953)**

See notes to required supplemental information.

Required Supplemental Information
Budgetary Comparison Schedule - Major Special Revenue Funds (Continued)
Major Crimes Task Force

Year Ended September 30, 2022

	Original Budget	Amended Budget	Actual	Variance with Amended Budget
Revenue				
Membership assessments - Property taxes	$ 107,820	$ 107,820	$ 107,820	$ -
Forfeiture receipts - State	378,987	1,000,000	4,085	(995,915)
Other revenue	3,478	1,500	-	(1,500)
Total revenue	490,285	1,109,320	111,905	(997,415)
Expenditures				
Salaries	25,326	10,653	9,776	877
Fringes	5,290	3,450	2,874	576
Office supplies	250	123	9	114
Building rent	900	508	92	416
Travel	10	-	-	-
Other	932,629	47,373	38,203	9,170
Capital outlay	-	33,622	-	33,622
Total expenditures	964,405	95,729	50,954	44,775
Other Financing Sources (Uses)				
Transfers in	-	-	245,605	245,605
Total other financing sources (uses)	-	-	245,605	245,605
Net Change in Fund Balance	(474,120)	1,013,591	306,556	(707,035)
Fund Balance - Beginning of year	755,604	755,604	755,604	-
Fund Balance - End of year	**$ 281,484**	**$ 1,769,195**	**$ 1,062,160**	**$ (707,035)**

See notes to required supplemental information.

Budgetary Information

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for special revenue funds. All annual appropriations lapse at fiscal year end; encumbrances are not included as expenditures. The amounts of expenditures outstanding at September 30, 2022 have not been calculated.

The budget document presents information by fund, function, department, and line items. The legal level of budgetary control adopted by the governing body is the department level.

Excess of Expenditures Over Appropriations in Budgeted Funds

The 911 Fund, Fire Fund, and Highway Safety Fund all had expenditures greater than budgeted: 911 fund had expenditures budgeted under the Utilities category rather than Other category. Fire fund had expenditures of modules for DMA software that was not anticipated when budget was revised. Highway Safety Fringe Benefits were slightly higher than anticipated.

	Budget	Actual	Variance
911:			
Other	$ 728,674	$ 988,028	$ (259,354)
Fire			
Office supplies	10,470	14,858	(4,388)
Other	143,311	190,160	(46,849)
Highway Safety			
Fringe benefits	727	782	(55)

Other Supplemental Information

Other Supplemental Information
Combining Balance Sheet
Nonmajor Governmental Funds

September 30, 2022

	Special Revenue Funds			
	Drug Group	Police	Michigan State Police/Chief	Total
Assets - Cash and cash equivalents	**$ -**	**$ 122,598**	**$ -**	**$ 122,598**
Liabilities - Accrued liabilities and other	$ -	$ 14,539	$ -	$ 14,539
Fund Balances				
Restricted:				
Police	-	108,059	-	108,059
Total fund balances	-	108,059	-	108,059
Total liabilities and fund balances	**$ -**	**$ 122,598**	**$ -**	**$ 122,598**

Other Supplemental Information
Combining Statement of Revenue, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds

Year Ended September 30, 2022

	Special Revenue Funds			
	Drug Group	Police	Michigan State Police/Chief	Total
Revenue				
Membership assessments	$ -	$ 75,573	$ -	$ 75,573
Other revenue	269	584	-	853
Total revenue	269	76,157	-	76,426
Expenditures				
Current services:				
Salaries	-	13,815	-	13,815
Fringe benefits	-	2,383	-	2,383
Professional services	-	5,993	-	5,993
Office supplies	-	1,081	-	1,081
Communication costs	-	2,667	-	2,667
Maintenance	-	232	-	232
Building rent	-	191	-	191
Training	-	15,725	-	15,725
Business meetings	-	1	-	1
Insurance	-	3,808	-	3,808
Miscellaneous	-	16,684	-	16,684
Capital outlay	-	10,307	-	10,307
Total expenditures	-	72,887	-	72,887
Other Financing Sources (Uses)				
Transfers out	(230,606)	-	(14,999)	(245,605)
Total other financing sources (uses)	(230,606)	-	(14,999)	(245,605)
Net Change in Fund Balances	(230,337)	3,270	(14,999)	(242,066)
Fund Balances - Beginning of year, as restated	230,337	104,789	14,999	350,125
Fund Balances - End of year	**$ -**	**$ 108,059**	**$ -**	**$ 108,059**