



Southern Ozaukee Fire & EMS Board

Date:
Wednesday, July 9, 2025

AGENDA

LOCATION: 250 Elm Street, Thiensville, WI

Time: 5:30 PM

I. CALL TO ORDER

II. ROLL CALL

Mequon

Mayor Andrew Nerbun

Administrator Will Jones

Alderman Greg Bach

Alderman William Gebhardt

Citizen Lynn Streeter

Thiensville

President John Rosing

Trustee Kristina Eckert

Administrator Landisch-Hansen

Citizen Doug Chimenti (Excused)

Alternate Trustee David Lange

III. APPROVAL OF MINUTES

A. May 14, 2025 (att)

IV. PERSONAL APPEARANCES AND PUBLIC COMMENT

A. Personal Appearances and Public Comment: Citizens wishing to address the SOFD Board on any matter not on the agenda may do so at this time. If you desire to be heard on agenda items, you may be heard when that item is considered on the agenda. The time limit is FIVE minutes.

V. FINANCE

A. Review and Action Regarding the 2024 Final Financial Audit for Southern Ozaukee Fire and EMS Department (att)

B. Review and Discussion of 2nd Quarter Financial Report (att)

VI. GOVERNANCE

A. 2025 Workplan Update and Action Items (att)

B. Review and Discussion of Strategic Plan (att)

VII. CAPITAL

A. Discussion Regarding Ladder Truck Sale Update (att)

VIII. OPERATIONS

A. Bi-Monthly Update

B. Presentation and Discussion Regarding Community Paramedic (att)

IX. NEXT MEETING

A. September 10, 2025

X. ADJOURNMENT

Colleen Landisch-Hansen, Village Clerk

July 3, 2025

Please advise the Thiensville Municipal Hall, 250 Elm Street (262-242-3720) at least 24 hours prior to the start of this meeting if you have disabilities and desire special accommodations.



Southern Ozaukee Fire & EMS Board
MINUTES
DATE: Wednesday, May 14, 2025
LOCATION: 250 Elm Street, Thiensville,
WI
TIME: 5:30 PM

I. CALL TO ORDER

Mayor Nerbun called the meeting to order at 5:30 PM

II. ROLL CALL

Mequon

Mayor Andrew Nerbun

Administrator Will Jones

Alderman Greg Bach

Alderman William Gebhardt

Citizen Lynn Streeter

Thiensville

President John Rosing

Trustee Kristina Eckert

Administrator Landisch-Hansen

Citizen Doug Chimenti

Alternate Trustee David Lange

III. APPROVAL OF MINUTES

A. March 12, 2025 (att)

Administrator Jones noted being erroneously included in two roll call votes.

MOTION to Approve Pending Removal of Administrator Jones from Roll Call Votes by Alderman Bach **SECONDED** by Citizen Streeter. **MOTION CARRIED UNANIMOUSLY.**

Aye: 7

No: 0

Abstain: 0

IV. PERSONAL APPEARANCES AND PUBLIC COMMENT

A. Personal Appearances and Public Comment: Citizens wishing to address the SOFD Board on any matter not on the agenda may do so at this time. If you desire to be heard on agenda items, you may be heard when that item is considered on the agenda. The time limit is FIVE minutes.

None

V. WELCOME NEW MEMBER(S)

The Board welcomed new member William Gebhardt, Mequon Common Council President.

VI. FINANCE

A. Review and Action Regarding 2024 Financial Statement Audit (att)

The 2024 Financial Statement Audit was not yet available for review.

VII. CAPITAL

A. Review and Action Regarding Purchase of Replacement Mechanical CPR Devices (att)

Chief Bialk explained the need for replacement CPR devices, stating that the current devices were nearing the end of life and experiencing occasional mechanical problems.

Chief Bialk also explained that FAP funds would be used for the purchase.

Citizen Chimenti inquired about the service life of the CPR devices.

Chief Bialk answered that the expected service life was 10 to 15 years.

Alderman Gebhardt asked what would be done with the remaining funds not used in the purchase of new CPR devices.

Chief Bialk replied that the funds would be carried over for potential future purchases.

MOTION to Approve Purchase of Replacement Mechanical CPR Devices by Citizen Chimenti **SECONDED** by Alderman Gebhardt. **MOTION CARRIED UNANIMOUSLY.**
Aye: 7

No: 0
Abstain: 0

Roll Call Vote

Aye: Nerbun, Bach, Streeter, Gebhardt, Rosing, Eckert, Chimenti
No: None
MOTION CARRIED UNANIMOUSLY

B. Review and Action Regarding Purchase of Battalion Chiefs' Vehicle (att)

Chief Bialk explained that when purchasing vehicles through the State system there is a bidding window that is open once a year. The build time for a vehicle is then 6 to 8 months from time of bid.

Due to these lead times, Chief Bialk recommended that the Board go through the approval process now in order to be prepared for the bid window opening.

Alderman Bach inquired if the purchased vehicle would need to be additionally outfitted to meet the Department's needs.

Chief Bialk confirmed that yes, some additions would need to be made and that those additions were included in the estimate.

Alderman Gebhardt asked what the age criteria are for the Department vehicles.

Chief Bialk replied that the intended limit was 8 to 10 years and/or 100,000 miles.

MOTION to Approve Purchase of Battalion Chiefs' Vehicle by Citizen Chimenti **SECONDED** by Citizen Streeter. **MOTION CARRIED UNANIMOUSLY.**

Aye: 7
No: 0
Abstain: 0

Roll Call Vote

Aye: Nerbun, Bach, Streeter, Gebhardt, Rosing, Eckert, Chimenti
No: None
MOTION CARRIED UNANIMOUSLY

C. Discussion Regarding Ladder Truck Sale Update

Chief Bialk provided an update on the sale of the ladder truck, noting that it would be put up for bid on a broker site which would maximize the value that would be received from the sale.

VIII. OPERATIONS

A. Bi-Monthly Update

Chief Bialk provided a summary of recent Department activity.

Chief Bialk highlighted the Department's response to an apartment humidifier fire, the strategic planning session that was held in May, and the Department's response to a large barn fire on Freistadt Road in Mequon.

President Rosing inquired as to the cause of the barn fire.

Chief Bialk stated that the cause was difficult to determine given the severity and speed of the fire.

Chief Bialk also gave an update on the uncovered hours and the Department's efforts to maintain as much coverage as possible.

B. Review and Action Regarding 2024 SOFD Annual Report (att)

Chief Bialk presented the 2024 Southern Ozaukee Fire and Emergency Medical Services Annual Report.

Chief Bialk and Citizen Streeter both discussed the impact of the aging population on call volumes and the importance of focusing on vulnerable communities.

Chief Bialk highlighted the response times of the Department for both fire and EMS calls, and the challenges of meeting National Fire Protection Agency standards with a hybrid department.

MOTION to Approve 2024 SOFD Annual Report by President Rosing **SECONDED** by Citizen Streeter. **MOTION CARRIED UNANIMOUSLY.**

Aye: 7

No: 0

Abstain: 0

C. Review and Action Regarding Citizen Letter of Commendation (att)

Chief Bialk introduced a letter of commendation for a resident, ElizaBeth Von Ruden-Clayton, who helped during a condominium fire.

Chief Bialk explained the resident's actions and the importance of recognizing their efforts.

Chief Bialk will present the commendation to the ElizaBeth Von Ruden-Clayton in appreciation

for their efforts.

MOTION to Approve the Citizen Letter of Commendation for ElizaBeth Von Ruden-Clayton by President Rosing **SECONDED** by Trustee Eckert. **MOTION CARRIED UNANIMOUSLY.**

Aye: 7

No: 0

Abstain: 0

IX. GOVERNANCE

A. 2025 Work Plan Update and Action Items

Chief Bialk provided an update to the 2025 Work Plan.

B. Review and Action Regarding Legal Services Letter of Engagement (att)

Southern Ozaukee Fire and Emergency Medical Services Department's attorney, Brian Sajdak, explained the change in firms and that, as a result, the Department needed to agree to a new legal services letter of engagement.

MOTION to Approve Legal Services Letter of Engagement by President Rosing **SECONDED** by Trustee Eckert. **MOTION CARRIED UNANIMOUSLY.**

Aye: 7

No: 0

Abstain: 0

Roll Call Vote

Aye: Nerbun, Bach, Streeter, Gebhardt, Rosing, Eckert, Chimenti

No: None

MOTION CARRIED UNANIMOUSLY

X. NEXT MEETING

A. July 9, 2025

XI. ADJOURNMENT

MOTION to Adjourn at 6:24 PM by Citizen Chimenti **SECONDED** by Alderman Bach. **MOTION**

CARRIED UNANIMOUSLY.

Aye: 7

No: 0

Abstain: 0

Submitted by,

Ben Honeck
Deputy clerk

Signed by,

Colleen Landisch-Hansen
Village Administrator/Clerk



Southern Ozaukee Fire and
Emergency Medical Services Department
11300 N. Buntrock Avenue
Mequon, WI 53092
(262) 242-2530
(262) 242-5042 Fax

TO: SOFD Board
FROM: Fire Chief David L Bialk
DATE: July 9, 2025
SUBJECT: 2024 Fiscal Audit

Background

A financial audit of the Southern Ozaukee Fire Department (SOFD) for fiscal year 2024 was included as part of the 2025 budget process. The firm Baker Tilly was contracted to conduct the audit, which was performed over a three-day period during the last week of January.

Following the audit, there was ongoing correspondence with Baker Tilly to address outstanding items. Additionally, the department engaged Foster & Foster to prepare an Other Post-Employment Benefits (OPEB) report.

OPEB refers to benefits owed to employees after they leave the organization. For SOFD, this includes health insurance coverage and the conversion of sick/medical leave. The OPEB valuation provides insight into the department's future financial obligations and supports sound financial planning. It also ensures compliance with Governmental Accounting Standards Board (GASB) requirements.

While the OPEB report was not available at the time of Baker Tilly's audit presentation to the Board in May, Foster & Foster has since completed their analysis. The finalized OPEB data has now been incorporated into the final 2024 audit of the Southern Ozaukee Fire Department.

Analysis

As part of the recent financial audit, several material weaknesses and areas for improvement were identified. Below is a list of the key findings and process improvement plan for internal controls and improved financial reporting accuracy.

Identified Material Weaknesses

1. Inadequate Segregation of Duties

- Due to staffing and financial limitations, key duties are not adequately separated.
Research for process improvement will be added to the 2026 workplan.

2. Missing Key Controls

- Certain controls over significant transaction cycles are absent.
- Recommendations include:
 - Independent review of adjusting journal entries and reconciliations.
 - Year-end processes (e.g., payroll accruals, retainages) should be reviewed by someone other than the preparer.
- Research for process improvement will be added to the 2026 workplan

3. Financial Statement Close Process

- The current process lacks:
 - Adequate staffing for timely, accurate financial reporting.
 - Independent review of financial statements.
 - Complete and GAAP-compliant financial reports.
- Research for process improvement will be added to the 2026 workplan

4. Other Comments and Recommendations

- Cash Reconciliation
 - Bank reconciliations include outdated outstanding checks and deposits.
 - Two money market accounts lack monthly reconciliations.
 - Recommendation: Regularly review and update reconciliations.
- Ambulance Billings
 - No documentation to confirm the internal review of third-party billing.
 - Recommendation: Maintain evidence of spot checks for compliance and accuracy.
- QuickBooks Automatic Allocations
 - Automatic allocations have led to errors in credit card transactions and unreconciled items.
 - Recommendation: Disable this feature to reduce discrepancies and improve accuracy.

For the above-mentioned **Comments and Recommendations** staff has created the attached **Administrative Directive 004** which addresses the concerns.

At the end of 2023, the SOFD had a surplus of \$252,295 due to vacant positions that could not be filled. The same situation occurred in 2024, resulting in an additional surplus of \$300,813. Combined, these surpluses give the SOFD a current fund balance of \$553,108.

Fiscal Impact

None

Recommendation

Accept the 2024 Financial Audit for the SOFD and staff will follow the newly created processes listed above and continue to work on the key internal control issues.

Fire Chief David L Bialk

David L Bialk

Southern Ozaukee Fire Department

Reporting and insights from the 2024 audit:

Southern Ozaukee Fire and EMS Department

December 31, 2024

Executive summary

May 28, 2025

To the Board Members
Southern Ozaukee Fire and EMS Department

We have completed our audit of the financial statements of Southern Ozaukee Fire and EMS Department (the Department) for the year ended December 31, 2024, and have issued our report thereon dated May 28, 2025. This letter presents communications required by our professional standards.

Your audit should provide you with confidence in your financial statements. The audit was performed based on information obtained from meetings with management, data from your systems, knowledge of your Department's operating environment and our risk assessment procedures. We strive to provide you clear, concise communication throughout the audit process and of the final results of our audit.

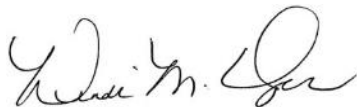
Additionally, we have included information on key risk areas Southern Ozaukee Fire and EMS Department should be aware of in your strategic planning. We are available to discuss these risks as they relate to your organization's financial stability and future planning.

If you have questions at any point, please connect with us:

- Wendi Unger, Principal: wendi.unger@bakertilly.com or +1 (414) 777 5423

Sincerely,

Baker Tilly US, LLP



Wendi M. Unger, CPA, Principal

THIS COMMUNICATION IS INTENDED SOLELY FOR THE INFORMATION AND USE OF THOSE CHARGED WITH GOVERNANCE, AND, IF APPROPRIATE, MANAGEMENT, AND IS NOT INTENDED TO BE AND SHOULD NOT BE USED BY ANYONE OTHER THAN THESE SPECIFIED PARTIES.

BAKER TILLY ADVISORY GROUP, LP AND BAKER TILLY US, LLP, TRADING AS BAKER TILLY, ARE MEMBERS OF THE GLOBAL NETWORK OF BAKER TILLY INTERNATIONAL LTD., THE MEMBERS OF WHICH ARE SEPARATE AND INDEPENDENT LEGAL ENTITIES. BAKER TILLY US, LLP IS A LICENSED CPA FIRM THAT PROVIDES ASSURANCE SERVICES TO ITS CLIENTS. BAKER TILLY ADVISORY GROUP, LP AND ITS SUBSIDIARY ENTITIES PROVIDE TAX AND CONSULTING SERVICES TO THEIR CLIENTS AND ARE NOT LICENSED CPA FIRMS.

Responsibilities

Our responsibilities

As your independent auditor, our responsibilities include:

- Planning and performing the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. Reasonable assurance is a high level of assurance.
- Assessing the risks of material misstatement of the financial statements, whether due to fraud or error. Included in that assessment is a consideration of the Department's internal control over financial reporting.
- Performing appropriate procedures based upon our risk assessment.
- Evaluating the appropriateness of the accounting policies used and the reasonableness of significant accounting estimates made by management.
- Forming and expressing an opinion based on our audit about whether the financial statements prepared by management, with the oversight of the Board Members:
 - Are free from material misstatement
 - Present fairly, in all material respects and in accordance with accounting principles generally accepted in the United States of America
- Our audit does not relieve management or the Board Members of their responsibilities.

We are also required to communicate significant matters related to our audit that are relevant to the responsibilities of the Board Members, including:

- Internal control matters
- Qualitative aspects of the Department's accounting practice including policies, accounting estimates and financial statement disclosures
- Significant unusual transactions
- Significant difficulties encountered
- Disagreements with management
- Circumstances that affect the form and content of the auditors' report
- Audit consultations outside the engagement team
- Corrected and uncorrected misstatements
- Other audit findings or issues

Audit status

Significant changes to the audit plan

There were no significant changes made to either our planned audit strategy or to the significant risks and other areas of emphasis identified during the performance of our risk assessment procedures.

Audit approach and results

Planned scope and timing

Audit focus

Based on our understanding of the Department and environment in which you operate, we focused our audit on the following key areas:

- Key transaction cycles
- Areas with significant estimates

Our areas of audit focus were informed by, among other things, our assessment of materiality. Materiality in the context of our audit was determined based on specific qualitative and quantitative factors combined with our expectations about the Department's current year results.

Key areas of focus and significant findings

Significant risks of material misstatement

A significant risk is an identified and assessed risk of material misstatement that, in the auditor's professional judgment, requires special audit consideration. Within our audit, we focused on the following areas below.

Significant risk areas	Testing approach	Conclusion
Management override of controls	Incorporate unpredictability into audit procedures, emphasize professional skepticism and utilize audit team with industry expertise	Procedures identified provided sufficient evidence for our audit opinion
Improper revenue recognition due to fraud	Confirmation or validation of certain revenues supplemented with detailed predictive analytics based on non-financial data and substantive testing of related receivables	Procedures identified provided sufficient evidence for our audit opinion
Inadequate segregation of duties	Incorporate unpredictability into audit procedures, emphasize professional skepticism, utilize audit team with industry expertise and performance of sufficient substantive procedures	Procedures identified provided sufficient evidence for our audit opinion

Other areas of emphasis

We also focused on other areas that did not meet the definition of a significant risk, but were determined to require specific awareness and a unique audit response.

Other areas of emphasis		
Cash and investments	Revenues and receivables	General disbursements
Payroll	Pension and OPEB liabilities	
Capital assets including infrastructure	Net position/fund balance calculations	Financial reporting and required disclosures

Internal control matters

We considered the Department's internal control over financial reporting as a basis for designing our audit procedures for the purpose of expressing an opinion on the financial statements. We are not expressing an opinion on the effectiveness of the Department's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis.

A material weakness is a deficiency or combination of deficiencies in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. We identified the following deficiencies as material weaknesses:

- **Inadequate segregation of duties**

A properly designed system of internal control includes adequate staffing as well as policies and procedures to properly segregate duties. This includes systems that are designed to limit the access or control of any one individual to your government's assets or accounting records, and to achieve a higher likelihood that errors or irregularities in your accounting processes would be discovered by your staff in a timely manner.

At this time, due to staffing and financial limitations, the proper internal controls are not in place to achieve adequate segregation of duties. As a result, errors, irregularities or fraud could occur as part of the financial reporting process that may not be discovered by someone in your organization. Therefore, we are reporting a material weakness related to the internal control environment.

- **Missing key controls**

There are certain controls that are not currently in place related to significant transaction cycles. As a result, there is a risk that erroneous or unauthorized transactions or misstatements could occur without the knowledge of management or the governing body. Our recommendations for strengthening controls are listed on the following page.

Controls over monthly and year-end accounting

- Adjusting journal entries and supporting documentation should be reviewed and approved by an appropriate person who is not the original preparer.
- Account reconciliations prepared throughout the year should be performed by someone independent of processing transactions in the account.
- Year-end reconciliations (retainages, payroll accruals) should be reviewed and approved by someone other than the preparer.

Since the controls listed above or other compensating controls are not currently in place, errors or irregularities could occur as part of the accounting processes that might not be discovered by management or the governing body. Therefore, the absence of these controls is considered to be a material weakness.

We recommend that a designated employee review the segregation of duties, risks, and these potential controls and determine whether additional controls should be implemented. This determination should take into consideration a cost / benefit analysis.

- **Financial statement close process**

Properly designed systems of internal control provide your organization with the ability to process and record accurate monthly and year-end transactions and annual financial reports.

Our audit includes a review and evaluation of the internal controls relating to financial reporting. Common attributes of a properly designed system of internal control for financial reporting are as follows:

- There is adequate staffing to prepare financial reports throughout the year and at year-end.
- Material misstatements are identified and corrected during the normal course of duties.
- Complete and accurate financial statements, including footnotes, are prepared.
- Financial reports are independently reviewed for completeness and accuracy.

Our evaluation of the internal controls over financial reporting has identified control deficiencies that are considered material weakness surrounding the preparation of financial statements and footnotes, adjusting journal entries identified by the auditors, and an independent review of financial reports.

Management has not prepared financial statements that are in conformity with generally accepted accounting principles. In addition, material misstatements in the general ledger were identified during the financial audit.

Other comments and recommendations

- **Cash Reconciliation**

During our review of cash, it was noted there are several old outstanding checks and deposits in transit on the bank reconciliation. Some of which are removed from the reconciliation but still show up on the report. We recommend that the Department review older items and determine items which should not be included as cash on the books and in the reconciliation and address as appropriate.

In addition to the above, reconciliations have not been completed for the two money market accounts that the Department has. We recommend that the Department create a process for reviewing these accounts monthly to ensure that they reconcile.

- **Ambulance Billings**

The Department utilizes a third-party vendor to prepare the billings for ambulance services. Department personnel spot check the bills prepared by the third-party vendor for accuracy. During our testing, the Department could not provide evidence that the spot checking of the bills took place. We recommend that the Department maintain supporting documentation that includes evidence of the spot checking / review of the ambulance bills.

- **QuickBooks Automatic Allocations**

The Department utilizes a feature within QuickBooks that automatically allocates checks and receipts. During testing, it was noted that it automatically allocated items incorrectly. Credit card activity at the Department is not being reconciled properly because of this. Some of the activity has been posted correctly, while other portions have not been. There were several credit card expenses that were left unallocated at the year end. We recommend that the Department turn off this feature as it is a cause for a significant number of discrepancies.

Required communications

Qualitative aspect of accounting practices

- Accounting policies: Management is responsible for the selection and use of appropriate accounting policies. In accordance with the terms of our engagement letter, we have advised management about the appropriateness of accounting policies and their application. The significant accounting policies used by the Department are described in Note 1 to the financial statements. No new accounting policies were adopted, and the application of existing accounting policies was not changed during 2024. We noted no transactions entered into by the Department during the year for which accounting policies are controversial or for which there is a lack of authoritative guidance or consensus or diversity in practice.
- Accounting estimates: Accounting estimates, including fair value estimates, are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements, the degree of subjectivity involved in their development and because of the possibility that future events affecting them may differ significantly from those expected. The following estimates are of most significance to the financial statements:

Estimate	Management's process to determine	Baker Tilly's conclusions regarding reasonableness
Accrued compensated absences	Evaluation of hours earned and accumulated in accordance with employment policies and average wage per hour rates	Reasonable in relation to the financial statements as a whole
Net pension liability and related deferrals	Evaluation of information provided by the Wisconsin Retirement System	Reasonable in relation to the financial statements as a whole
Allowance for doubtful accounts	Evaluation of historical revenues and loss levels with the analysis on collectability of individual amounts	Reasonable in relation to the financial statements as a whole
Total OPEB liability and related deferrals	Key assumptions set by management with the assistance of a third party actuary	Reasonable in relation to the financial statements as a whole
Depreciation	Evaluate estimated useful life of the asset and original acquisition value	Reasonable in relation to the financial statements as a whole

There have been no significant changes made by management to either the processes used to develop the particularly sensitive accounting estimates, or to the significant assumptions used to develop the estimates noted above.

- Financial statement disclosures: The disclosures in the financial statements are neutral, consistent and clear.

Significant unusual transactions

There have been no significant transactions that are outside the normal course of business for the Department or that otherwise appear to be unusual due to their timing, size or nature.

Significant difficulties encountered during the audit

We encountered no significant difficulties in dealing with management and completing our audit.

Disagreements with management

Professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter that could be significant to the financial statements or the auditors' report. We are pleased to report that no such disagreements arose during the course of our audit.

Audit report

There have been no departures from the auditors' standard report.

Audit consultations outside the engagement team

We encountered no difficult or contentious matters for which we consulted outside of the engagement team.

Uncorrected misstatements and corrected misstatements

Professional standards require us to accumulate misstatements identified during the audit, other than those that are clearly trivial and to communicate accumulated misstatements to management. Management agrees with the misstatements we have identified, and they have been corrected in the financial statements. The schedule below summarizes the material corrected misstatements, that, in our judgment, may not have been detected except through our auditing procedures. The internal control matters section of this report describes the effects on the financial reporting process indicated by the corrected misstatements, other than those that we consider to be of a lesser magnitude than significant deficiencies and material weaknesses.

Description	Opinion unit	Amount
To reallocate revenue recorded incorrectly	General Fund	\$1,151,593
To reallocate expenditures recorded incorrectly	General Fund	\$22,733
To adjust ambulance receivable	General Fund	\$247,618
To adjust allowance for uncollectible receivables	General Fund	\$26,616
To record missed November payroll entry	General Fund	\$87,090
To record accrued payroll	General Fund	\$136,876
To reallocate receivables recorded incorrectly	General Fund	\$234,809
To adjust cash accounts	General Fund	\$27,504

The remaining misstatements that were identified and corrected by management were not material individually or in the aggregate to the financial statements taken as a whole.

Other audit findings or issues

We encountered no other audit findings or issues that require communication at this time.

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Department's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other information in documents containing audited basic financial statements

Official statements

The Department's audited financial statements are "general purpose" financial statements. General purpose financial statements consist of the basic financial statements that can be used by a broad group of people for a broad range of activities. Once we have issued our audit report, we have no further obligation to update our report for events occurring subsequent to the date of our report. The Department can use the audited financial statements in other client prepare documents, such as official statements related to the issuance of debt, without our acknowledgement. Unless we have been engaged to perform services in connection with any subsequent transaction requiring the inclusion of our audit report, as well as to issue an auditor's acknowledgment letter, we have neither read the document nor performed subsequent event procedures in order to determine whether or not our report remains appropriate.

Management's consultations with other accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters. Management informed us that, and to our knowledge, there were no consultations with other accountants regarding auditing or accounting matters.

Written communications between management and Baker Tilly

The attachments include copies of other material written communications, including a copy of the management representation letter.

Compliance with laws and regulations

We did not identify any non-compliance with laws and regulations during our audit.

Fraud

We did not identify any known or suspected fraud during our audit.

Going concern

Pursuant to professional standards, we are required to communicate to you, when applicable, certain matters relating to our evaluation of the Department's ability to continue as a going concern for a reasonable period of time but no less than 12 months from the date of the financial statements, including the effects on the financial statements and the adequacy of the related disclosures, and the effects on the auditor's report. No such matters or conditions have come to our attention during our engagement.

Independence

We are not aware of any relationships between Baker Tilly and the Department that, in our professional judgment, may reasonably be thought to bear on our independence.

Related parties

We did not have any significant findings or issues arise during the audit in connection with the Department's related parties

Other matters

We applied certain limited procedures to the required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding 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 did not audit the RSI and do not express an opinion or provide any assurance on the RSI

Nonattest services

The following nonattest services were provided by Baker Tilly:

- Financial statement preparation
- Adjusting journal entries

In addition, we prepared GASB No. 34 conversion entries which are summarized in the "Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position" and the "Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities" in the financial statements.

None of these nonattest services constitute an audit under generally accepted auditing standards, including *Government Auditing Standards*.

Board Member resources

Visit our resource page for regulatory updates, trending challenges and opportunities in your industry and other timely updates.

Visit the resource page at <https://www.bakertilly.com/page/audit-committee-resource-center>.

Management representation letter

May 28, 2025

Baker Tilly US, LLP
790 N Water St, Suite 2000
Milwaukee, WI 53202

Dear Baker Tilly US, LLP:

We are providing this letter in connection with your audit of the financial statements of Southern Ozaukee Fire and EMS Department as of December 31, 2024 and for the year then ended for the purpose of expressing an opinion as to whether the financial statements present fairly, in all material respects, the respective financial position of the governmental activities and the general fund of Southern Ozaukee Fire and EMS Department and the respective changes in financial position, in conformity with accounting principles generally accepted in the United States of America (GAAP). We confirm that we are responsible for the fair presentation of the previously mentioned financial statements in conformity with accounting principles generally accepted in the United States of America. We are also responsible for adopting sound accounting policies, establishing and maintaining internal control over financial reporting, and preventing and detecting fraud.

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in the light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement. An omission or misstatement that is monetarily small in amount could be considered material as a result of qualitative factors.

We confirm, to the best of our knowledge and belief, the following representations made to you during your audit.

Financial Statements

- 1) We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter dated October 30, 2024, including our responsibility for the preparation and fair presentation of the financial statements in accordance with U.S. GAAP.
- 2) The financial statements referred to above are fairly presented in conformity with accounting principles generally accepted in the United States of America. We have engaged you to advise us in fulfilling that responsibility. The financial statements include all properly classified funds of the primary government and all component units required by accounting principles generally accepted in the United States of America to be included in the financial reporting entity.
- 3) We acknowledge our responsibility 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.

- 14) We have no knowledge of any allegations of fraud or suspected fraud affecting the entity received in communications from employees, former employees, regulators, or others.
- 15) We have no knowledge of known instances of noncompliance or suspected noncompliance with provisions of laws, regulations, contracts, or grant agreements, or abuse, whose effects should be considered when preparing financial statements.
- 16) There are no related parties or related party relationships and transactions, including side agreements, of which we are aware.

Other

- 17) There have been no communications from regulatory agencies concerning noncompliance with, or deficiencies in, financial reporting practices.
- 18) The Department has no plans or intentions that may materially affect the carrying value or classification of assets, deferred outflows of resources, liabilities, deferred inflows of resources or fund balance or net position.
- 19) We are responsible for compliance with federal, state, and local laws, regulations, and provisions of contracts and grant agreements applicable to us, including tax or debt limits, debt contracts, and IRS arbitrage regulations; and we have identified and disclosed to you all federal, state, and local laws, regulations and provisions of contracts and grant agreements that we believe have a direct and material effect on the determination of financial statement amounts or other financial data significant to the audit objectives, including legal and contractual provisions for reporting specific activities in separate funds.
- 20) There are no:
 - a) Violations or possible violations of budget ordinances, federal, state, and local laws or regulations (including those pertaining to adopting, approving and amending budgets), provisions of contracts and grant agreements, tax or debt limits, and any related debt covenants whose effects should be considered for disclosure in the financial statements or as a basis for recording a loss contingency, or for reporting on noncompliance, except those already disclosed in the financial statement, if any.
 - b) Other liabilities or gain or loss contingencies that are required to be accrued or disclosed by accounting principles generally accepted in the United States of America.
 - c) Nonspendable, restricted, committed, or assigned fund balances that were not properly authorized and approved.
 - d) Rates being charged to customers other than the rates as authorized by the applicable authoritative body.

21) In regards to the nonattest services performed by you listed below, we acknowledge our responsibility related to these nonattest services and have 1) accepted all management responsibility; 2) designated an individual with suitable skill, knowledge, or experience to oversee the services; 3) evaluated the adequacy and results of the services performed, and 4) accepted responsibility for the results of the services.

a) Financial statement preparation

b) Adjusting journal entries

None of these nonattest services constitute an audit under generally accepted auditing standards, including *Government Auditing Standards*.

22) Southern Ozaukee Fire and EMS Department has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset been pledged as collateral.

23) Southern Ozaukee Fire and EMS Department has complied with all aspects of contractual agreements that would have a material effect on the financial statement in the event of noncompliance.

24) The financial statements include all component units as well as joint ventures with an equity interest, and properly disclose all other joint ventures and other related organizations, if any. Component units have been properly presented as either blended or discrete.

25) The financial statements include all fiduciary activities required by GASB No. 84.

26) The financial statements properly classify all funds and activities.

27) All funds that meet the quantitative criteria in GASB Statement No. 34 and No. 37 for presentation as major are identified and presented as such and all other funds that are presented as major are particularly important to financial statement users.

28) Components of net position (net investment in capital assets; restricted; and unrestricted) and components of fund balance (nonspendable, restricted, committed, assigned and unassigned) are properly classified and, if applicable, approved.

29) Provisions for uncollectible receivables, if any, have been properly identified and recorded.

30) Expenses have been appropriately classified in or allocated to functions and programs in the statement of activities, and allocations have been made on a reasonable basis.

31) Revenues are appropriately classified in the statement of activities within program revenues and general revenues.

32) Interfund, internal, and intra-entity activity and balances have been appropriately classified and reported.

33) Deposits and investments are properly classified, valued, and disclosed (including risk disclosures, collateralization agreements, valuation methods, and key inputs, as applicable).


34) Capital assets, including infrastructure and intangible assets, are properly capitalized, reported, and, if applicable, depreciated/amortized. Any known impairments have been recorded and disclosed.

- 35) We have appropriately disclosed Southern Ozaukee Fire and EMS Department's policy regarding whether to first apply restricted or unrestricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position are available and have determined that net position were properly recognized under the policy. We have also disclosed our policy regarding which resources (that is, restricted, committed, assigned or unassigned) are considered to be spent first for expenditures for which more than one resource classification is available.
- 36) We acknowledge our responsibility for the required supplementary information (RSI). The RSI is measured and presented within prescribed guidelines and the methods of measurement and presentation have not changed from those used in the prior period. We have disclosed to you any significant assumptions and interpretations underlying the measurement and presentation of the RSI.
- 37) We assume responsibility for, and agree with, the findings of specialists in evaluating the other postemployment and pension benefits and have adequately considered the qualifications of the specialists in determining the amounts and disclosures used in the financial statements and underlying accounting records. We did not give or cause any instructions to be given to specialists with respect to the values or amounts derived in an attempt to bias their work, and we are not otherwise aware of any matters that have had impact on the independence or objectivity of the specialists.
- 38) We assume responsibility for, and agree with, the information provided by the Wisconsin Retirement System as audited by the Legislative Audit Bureau relating to the net pension asset/liability and related deferred outflows and deferred inflows and have adequately considered the reasonableness of the amounts and disclosures used in the financial statements and underlying accounting records. We also assume responsibility for the census data that has been reported to the plan.
- 39) We have evaluated GASB Statement No. 101, *Compensated Absences*, and believe that the effects on the financial statements is immaterial and therefore, implementation has not occurred.
- 40) The auditing standards define an annual report as "a document, or combination of documents, typically prepared on an annual basis by management or those charged with governance in accordance with law, regulation, or custom, the purpose of which is to provide owners (or similar stakeholders) with information on the entity's operations and the financial results and financial position as set out in the financial statements." Among other items, an annual report contains, accompanies, or incorporates by reference the financial statements and the auditors' report thereon. We confirm that we do not prepare and have no plans to prepare an annual report.

Sincerely,

Southern Ozaukee Fire and EMS Department

Signed: 
David Bialk, Fire Chief

Signed: 
Jill Wellman, Administrative Assistant

Client Services Team



Wendi Unger, CPA

Principal

790 N Water St. Suite 2000
Milwaukee, WI 53202
United States

T +1 (414) 777 5423 | Milwaukee
wendi.unger@bakertilly.com

Accounting changes relevant to Southern Ozaukee Fire and EMS Department

Future accounting standards update

GASB Statement Number	Description	Potentially impacts you	Effective date
102	Certain Risk Disclosures	✓	12/31/25
103	Financial Reporting Model Improvements	✓	12/31/26
104	Disclosure of Certain Capital Assets	✓	12/31/25

Further information on upcoming_

New guidance on disclosure of certain risks

The requirements in GASB Statement No. 102, *Certain Risk Disclosures* is meant to provide financial statement users with information about certain risks when circumstances make a government vulnerable to a heightened possibility of loss or harm. It requires governments to disclose essential information about risks related to vulnerabilities due to certain concentrations or constraints.

- (a) The Statement defines a concentration as a lack of diversity related to an aspect of a significant inflow or outflow of resources—for example, a small number of companies that represent a majority of employment in a government’s jurisdiction, or a government that relies on one revenue source for most of its revenue.
- (b) The Statement defines a constraint as a limitation imposed on a government by an external party or by formal action of the government’s highest level of decision-making authority—such as a voter-approved property tax cap or a state-imposed debt limit.

Concentrations and constraints may limit a government’s ability to acquire resources or control spending.

The Statement generally requires a government to disclose information about a concentration or constraint if all of the following criteria are met:

- (a) The concentration or constraint is *known* to the government prior to issuing the financial statements.
- (b) The concentration or constraint makes the government vulnerable to the risk of a substantial impact.
- (c) An event or events associated with the concentration or constraint that could cause a substantial impact have occurred, have begun to occur, or are more likely than not to begin to occur within 12 months of the date the financial statements are issued.

The disclosures should include a description of the following:

- The concentration or constraint,
- Each event associated with the concentration or constraint that could cause a substantial impact if the event has occurred or has begun to occur prior to the issuance of the financial statements, and
- Actions taken by the government to mitigate the risk prior to the issuance of the financial statements.

Changes to the financial reporting model

GASB Statement 103, *Financial Reporting Model Improvements*, builds on Statement 34 by providing key targeted improvements to the financial reporting model. Its requirements are designed to:

- Enhance the effectiveness of governmental financial reports in providing information essential for decision making and assessing a government's accountability, and
- Address certain application issues.

The targeted improvements contained in Statement 103 establish or modify existing accounting and financial reporting requirements related to:

- Management's discussion and analysis - While the overall requirements do not substantially change management's discussion and analysis, the modifications are meant to improve the analysis included in this section and provide details about the items that should be discussed as currently known facts, decisions, or conditions expected to have a significant financial effect in the subsequent period.
- Unusual or infrequent items (previously known as extraordinary and special items) - The new Statement simplifies GASB literature by eliminating the separate presentation of extraordinary and special items. Under the requirement of Statement 103, applicable items will either be identified as unusual or infrequent, or both.
- Presentation of the proprietary fund statement of revenues, expenses, and changes in fund net position - The changes are designed to improve consistency around the classification of items in these statements by better defining what should be included in operating revenues and expenses and nonoperating revenues and expenses including, for example, the addition of subsidies received or provided as a new category of nonoperating revenues and expenses.
- Major component unit information, and Budgetary comparison information - Statement 103 is designed to improve the consistency of the reporting of major component unit information and budgetary comparison information by specifying required placement of that information.

Two-way audit communications

As part of our audit of your financial statements, we are providing communications to you throughout the audit process. Auditing requirements provide for two-way communication and are important in assisting the auditor and you with more information relevant to the audit.

As this past audit is concluded, we use what we have learned to begin the planning process for next year's audit. It is important that you understand the following points about the scope and timing of our next audit:

- a. We address the significant risks of material misstatement, whether due to fraud or error, through our detailed audit procedures.
- b. We will obtain an understanding of the five components of internal control sufficient to assess the risk of material misstatement of the financial statements whether due to error or fraud, and to design the nature, timing and extent of further audit procedures. We will obtain a sufficient understanding by performing risk assessment procedures to evaluate the design of controls relevant to an audit of financial statements and to determine whether they have been implemented. We will use such knowledge to:
 - Identify types of potential misstatements.
 - Consider factors that affect the risks of material misstatement.
 - Design tests of controls, when applicable, and substantive procedures.
- c. We will not express an opinion on the effectiveness of internal control over financial reporting or compliance with laws, regulations and provisions of contracts or grant programs.
- d. The concept of materiality recognizes that some matters, either individually or in the aggregate, are important for fair presentation of financial statements in conformity with generally accepted accounting principles while other matters are not important. In performing the audit, we are concerned with matters that, either individually or in the aggregate, could be material to the financial statements. Our responsibility is to plan and perform the audit to obtain reasonable assurance that material misstatements, whether caused by errors or fraud, are detected.

Our audit will be performed in accordance with auditing standards generally accepted in the United States of America.

We are very interested in your views regarding certain matters. Those matters are listed here:

- a. We typically will communicate with your top level of management unless you tell us otherwise.
- b. We understand that the governing board has the responsibility to oversee the strategic direction of your organization, as well as the overall accountability of the entity. Management has the responsibility for achieving the objectives of the entity.
- c. We need to know your views about your organization's objectives and strategies, and the related business risks that may result in material misstatements.
- d. We anticipate that the Department will receive an unmodified opinion on its financial statements.
- e. Which matters do you consider warrant particular attention during the audit, and are there any areas where you request additional procedures to be undertaken?
- f. Have you had any significant communications with regulators or grantor agencies?
- g. Are there other matters that you believe are relevant to the audit of the financial statements?

Also, is there anything that we need to know about the attitudes, awareness and actions of the governing body concerning:

- a. The entity's internal control and its importance in the entity, including how those charged with governance oversee the effectiveness of internal control?
- b. The detection or the possibility of fraud?

We also need to know if you have taken actions in response to developments in financial reporting, laws, accounting standards, governance practices, or other related matters, or in response to previous communications with us.

With regard to the timing of our audit, here is some general information. If necessary, we may do preliminary financial audit work during the months of October-December, and sometimes early in January. Our final financial fieldwork is scheduled during the spring to best coincide with your readiness and report deadlines. After fieldwork, we wrap up our financial audit procedures at our office and may issue drafts of our report for your review. Final copies of our report and other communications are issued after approval by your staff. This is typically 6-12 weeks after final fieldwork, but may vary depending on a number of factors.

Keep in mind that while this communication may assist us with planning the scope and timing of the audit, it does not change the auditor's sole responsibility to determine the overall audit strategy and the audit plan, including the nature, timing and extent of procedures necessary to obtain sufficient appropriate audit evidence.

We realize that you may have questions on what this all means, or wish to provide other feedback. We welcome the opportunity to hear from you.

Southern Ozaukee Fire and EMS Department

Financial Statements and
Supplementary Information

December 31, 2024

Southern Ozaukee Fire and EMS Department

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Independent Auditors' Report

To the Department Board of
Southern Ozaukee Fire and EMS Department

Opinions

We have audited the accompanying financial statements of the governmental activities and the major fund of the Southern Ozaukee Fire and EMS Department (the Department), as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise the Department'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 and the major fund of the Department as of December 31, 2024 and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Department 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 Department's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

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

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the required supplementary information, as listed 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 who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Management has omitted the Management Discussion and Analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. Our opinions on the basic financial statements are not affected by this missing information.

Baker Tilly US, LLP

Milwaukee, Wisconsin
May 28, 2025

Southern Ozaukee Fire and EMS Department

Statement of Net Position

December 31, 2024

	<u>Governmental Activities</u>
Assets and Deferred Outflows of Resources	
Assets	
Cash and investments	\$ 1,482,475
Accounts receivable:	
Accounts receivable	28,040
Ambulance receivable	1,190,732
Allowance for doubtful accounts	(642,995)
Prepaid items	10,432
Capital assets, net of accumulated depreciation	<u>1,977,061</u>
 Total assets	 <u>4,045,745</u>
Deferred Outflows of Resources	
Deferred outflow related to OPEB, LRLIF	105,786
Deferred outflow related to pension	<u>1,938,738</u>
 Total deferred outflows of resources	 <u>2,044,524</u>
Liabilities, Deferred Inflows of Resources and Net Position	
Liabilities	
Accounts payables	29,390
Accrued liabilities	160,969
Noncurrent liabilities:	
Compensated absences	10,559
WRS pension liability	218,585
OPEB liability, LRLIF	82,494
OPEB liability, health	<u>23,228</u>
 Total liabilities	 <u>525,225</u>
Deferred Inflows of Resources	
Deferred inflow related to OPEB, LRLIF	39,786
Deferred inflow related to pension	<u>1,418,591</u>
 Total deferred inflows of resources	 <u>1,458,377</u>
Net Position	
Invested in capital assets	1,977,061
Restricted	910,285
Unrestricted	<u>1,219,321</u>
 Total net position	 <u>\$ 4,106,667</u>

See notes to financial statements

Southern Ozaukee Fire and EMS Department

Balance Sheet -
 Governmental Fund
 December 31, 2024

	<u>General Fund</u>	<u>Total Governmental Funds</u>
Assets		
Cash and investments	\$ 1,482,475	\$ 1,482,475
Accounts receivable:		
Accounts receivable	28,040	28,040
Ambulance receivable	1,190,732	1,190,732
Allowance for doubtful accounts	(642,995)	(642,995)
Prepaid items	<u>10,432</u>	<u>10,432</u>
 Total assets	 <u>2,068,684</u>	 <u>2,068,684</u>
Liabilities and Fund Balance		
Liabilities		
Accounts payables	29,390	29,390
Accrued liabilities	<u>160,969</u>	<u>160,969</u>
 Total liabilities	 <u>190,359</u>	 <u>190,359</u>
Fund Balance		
Restricted	910,285	910,285
Unassigned	<u>968,040</u>	<u>968,040</u>
 Total liabilities and fund balance	 <u>\$ 2,068,684</u>	
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Total fund balances		1,878,325
Capital assets used in governmental funds are not financial resources and therefore are not reported in the funds.		
Less accumulated depreciation/amortization		1,977,061
Some receivables do not provide current financial resources and therefore are not reported as revenue in the funds.		
Deferred outflows of resources related to pension and OPEB do not relate to current financial resources and are not reported in the governmental funds.		2,044,524
Deferred inflows of resources related to pension and OPEB do not relate to current financial resources and are not reported in the governmental funds.		(1,458,377)
Some liabilities are not due and payable in the current period and therefore are not reported in the funds.		
Compensated absences		(10,559)
Net Pension, WRS		(218,585)
Net OPEB, LRLIF		(82,494)
Net OPEB, Health		<u>(23,228)</u>
 Net Position of Governmental Activities		 <u>\$ 4,106,667</u>

See notes to financial statements

Southern Ozaukee Fire and EMS Department

Statement of Revenues, Expenditures and Changes in Fund Balance -
Governmental Fund
Year Ended December 31, 2024

	<u>General Fund</u>
Revenues	
Intergovernmental	\$ 581,333
Intergovernmental charges for service	2,946,173
Licenses and permits	12,157
Public charges for services	1,500,394
Investment income	84,108
Miscellaneous revenues	<u>34,447</u>
Total revenues	<u>5,158,612</u>
Expenditures	
Current:	
Public safety	3,062,439
Capital outlay	<u>453,930</u>
Total expenditures	<u>3,516,369</u>
Net change in fund balances	1,642,243
Fund Balance, Beginning	<u>236,082</u>
Fund Balance, Ending	<u>\$ 1,878,325</u>

See notes to financial statements

Southern Ozaukee Fire and EMS Department

Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances
of Governmental Fund to the Statement of Activities
Year Ended December 31, 2024

Net Change in Fund Balances, Total Governmental Funds \$ 1,642,243

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 Net Position, the cost of these assets is capitalized and they are depreciated over their estimated useful lives and reported as depreciation expense in the Statement of Activities.

Capital outlay is reported as an expenditure in the fund financial statements but is capitalized in the government-wide financial statements	453,930
Some items reported as capital outlay were not capitalized	(234,196)
Depreciation is reported in the government-wide statements	(314,658)

Capital assets contributed	120,728
----------------------------	---------

Some revenue and expenses in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as revenue and expenditures in the governmental funds.

Compensated absences	1,300
Net pension liability	408,284
Net OPEB liability, health	18,153
Net OPEB liability, LRLIF	(27,356)
Deferred outflows related to pension	(385,679)
Deferred outflows related to OPEB, health	(22,235)
Deferred outflows related to OPEB, LRLIF	81,540
Deferred inflows related to OPEB, health	28,946
Deferred inflows related to OPEB, LRLIF	4,547
Deferred inflows related to pension	(98,483)

Change in Net Position of Governmental Activities \$ 1,677,064

Southern Ozaukee Fire and EMS Department

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December 31, 2024

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Southern Ozaukee Fire and EMS Department

Notes to Financial Statements
December 31, 2024

1. Summary of Significant Accounting Policies

The accounting policies of the Southern Ozaukee Fire and EMS Department (SOFD) conform to accounting principles generally accepted in the United States of America as applicable to governmental units. The accepted standard-setting body for establishing governmental accounting and financial reporting principals is the Governmental Accounting Standards Board (GASB).

Reporting Entity

SOFD is an intergovernmental entity consisting of representation from two municipalities within Ozaukee County - City of Mequon and Village of Thiensville. SOFD is managed by a five member Board consisting of two Village of Thiensville representatives and three City of Mequon representatives. SOFD was created, pursuant to the provisions of section 61.65 and 66.0301 of the Wisconsin Statutes, in 2023 for the purpose of providing the necessary fire and emergency services to the City of Mequon and the Village of Thiensville.

This report includes all of the funds of SOFD. The reporting entity for SOFD consists of the primary government and its component units. Component units are legally separate organizations for which the primary government is financially accountable or other organizations for which the nature and significance of their relationship with the primary government are such that their exclusion would cause the reporting entity's financial statements to be misleading. SOFD has not identified any organizations that meet these criteria.

Government-Wide and Fund Financial Statements

Government-Wide Financial Statements

The statement of net position and statement of activities display information about the reporting government as a whole. They include all funds of the reporting entity except for fiduciary funds. Governmental activities generally are financed through intergovernmental revenues and other nonexchange revenues.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. SOFD does not allocate indirect expenses to functions in the statement of activities. Program revenues include 1) charges for services and 2) grants and contributions. Contributions from municipalities and other items not included among program revenues are reported as general revenues. Internally dedicated resources are reported as general revenues rather than as program revenues.

Fund Financial Statements

Financial statements of the reporting entity are organized into funds, each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts, which constitute its assets, deferred outflows, liabilities, deferred inflows of resources, net position/fund equity, revenues and expenditure/expenses.

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

Southern Ozaukee Fire and EMS Department

Notes to Financial Statements

December 31, 2024

Funds are organized as major funds or nonmajor funds within the governmental fund financial statements. An emphasis is placed on major funds. A fund is considered major if it is the primary operating fund of SOFD or meets the following criteria:

- a. Total assets/deferred outflows, liabilities/deferred inflows of resources, revenues, or expenditures of that individual governmental fund are at least 10% of the corresponding total for all funds of that category or type, and
- b. In addition, any other governmental fund that SOFD believes is particularly important to financial statement users may be reported as a major fund.

SOFD reports the following major governmental funds:

General Fund - accounts for SOFD's primary operating activities.

Measurement Focus, Basis of Accounting and Financial Statement Presentation

Government-Wide Financial Statements

The government-wide statement of net position and statement of activities are reported using the economic resources measurement focus and the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used. Revenues, expenses, gains, losses, assets and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider are met. Unbilled receivables are recorded as revenues when services are provided.

Fund Financial Statements

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recorded when they are both measurable and available. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. For this purpose, SOFD considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures are recorded when the related fund liability is incurred, except for unmatured interest on long-term debt, claims, judgments, compensated absences and pension expenditures, which are recorded as a fund liability when expected to be paid with expendable available financial resources.

Intergovernmental charges for services are recognized as revenues in the period SOFD is entitled the resources and the amounts are available. Billings for services are rendered as occurred. Amounts owed to SOFD which are not available are recorded as receivables and unavailable revenues.

Revenues susceptible to accrual include public charges for services and interest. Other general revenues such as licenses and permits, fines and forfeitures and miscellaneous revenues are recognized when received in cash or when measurable and available under the criteria described above.

Southern Ozaukee Fire and EMS Department

Notes to Financial Statements
December 31, 2024

All Financial Statements

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

Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources and Net Position or Equity

Deposits and Investments

Investment of SOFD funds is restricted by Wisconsin state statutes. Available investments are limited to:

- Time deposits in any credit union, bank, savings bank or trust company.
- Bonds or securities of any county, city, drainage district, technical college district, village, town or school district of the state. Also, bonds issued by a local exposition Department, a local professional baseball park district, a local professional football stadium district, a local cultural arts district, the University of Wisconsin Hospitals and Clinics Authority or the Wisconsin Aerospace Authority.
- Bonds or securities issued or guaranteed by the federal government.
- The local government investment pool.
- Any security maturing in seven years or less and having the highest or second highest rating category of a nationally recognized rating agency.
- Securities of an open-end management investment company or investment trust, subject to various conditions and investment options.
- Repurchase agreements with public depositories, with certain conditions.

SOFD has adopted a limited investment policy and that policy follows the state statute for allowable investments but does not include provisions pertaining to custodial credit risk.

Investments are stated at fair value, which is the amount at which an investment could be exchanged in a current transaction between willing parties. No investments are reported at amortized cost. Adjustments necessary to record investments at fair value are recorded in the operating statement as increases or decreases in investment income. The difference between the bank balance and carrying value is due to outstanding checks and deposits in transit.

See Note 3 for further information.

Receivables

An allowance for uncollectible accounts has been recorded relating to ambulance billings in the amount of \$642,995.

Southern Ozaukee Fire and EMS Department

Notes to Financial Statements
December 31, 2024

Capital Assets

Government-Wide Statements

Capital assets, which include property, plant and equipment, are reported in the governmental-wide financial statements. Capital assets are defined by SOFD as assets with an initial cost of more than \$5,000 for general capital assets and an estimated useful life in excess of one year. All capital assets are valued at historical cost or estimated historical cost if actual amounts are unavailable. Donated capital assets are recorded at their estimated fair value at the date of donation.

Depreciation of all exhaustible capital assets is recorded as an allocated expense in the statement of activities, with accumulated depreciation reflected in the statement of net position. Depreciation is provided over the assets' estimated useful lives using the straight-line method. The range of estimated useful lives by type of asset is as follows:

	<u>Years</u>
Equipment and furnishings	5-15
Vehicles	5

All buildings have remained property of the participating communities.

Fund Financial Statements

In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition.

Deferred Outflows of Resources

A deferred outflow of resources represents a consumption of net assets that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until that future time.

Compensated Absences

Under terms of employment, employees are granted sick leave, vacations and paid time off in varying amounts. Only benefits considered to be vested are disclosed in these statements. All vested vacation and sick leave pay is accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements, and are payable with expendable resources. The total amount outstanding at year end to be paid in the future is \$10,559 and is included in the government-wide statement of net position.

Payments for vacation and sick leave will be made at rates in effect when the benefits are used. Accumulated vacation and sick leave liabilities at December 31, 2024, are determined on the basis of current salary rates and include salary related payments.

Deferred Inflows of Resources

A deferred inflow of resources represents an acquisition of net assets that applies to a future period and therefore will not be recognized as an inflow of resources (revenue) until that future time.

Southern Ozaukee Fire and EMS Department

Notes to Financial Statements
December 31, 2024

Equity Classifications

Government-Wide Statements

Equity is classified as net position and displayed in three components:

Net Investment in Capital Assets - Consists of capital assets including restricted capital assets, net of accumulated depreciation.

Restricted Net Position - Consists of net position with constraints placed on their use either by 1) external groups such as creditors, grantors, contributors or laws or regulations of other governments or, 2) law through constitutional provisions or enabling legislation.

Unrestricted Net Position - All other net positions that do not meet the definition of restricted or net investment in capital assets.

When both restricted and unrestricted resources are available for use, it is SOFD's policy to use restricted resources first, then unrestricted resources as they are needed.

Fund Financial Statements

Governmental fund balances are displayed as follows:

Nonspendable - Includes fund balance amounts that cannot be spent either because they are not in spendable form or because legal or contractual requirements require them to be maintained intact.

Restricted - Consists of fund balances with constraints placed on their use either by 1) external groups such as creditors, grantors, contributors or laws or regulations of other governments or 2) law through constitutional provisions or enabling legislation.

Committed - Includes fund balance amounts that are constrained for specific purposes that are internally imposed by the government through formal action of the highest level of decision-making authority. Fund balance amounts are committed through a formal action (resolution) of the Board. This formal action must occur prior to the end of the reporting period, but the amount of the commitment which will be subject to the constraints, may be determined in the subsequent period. Any changes to the constraints imposed require the same formal action of the Board that originally created the commitment.

Assigned - Includes spendable fund balance amounts that are intended to be used for specific purposes that are not considered restricted or committed. Fund balance may be assigned through the following; 1) SOFD has adopted a financial policy authorizing the Board to assign amounts for a specific purpose. 2) All remaining positive spendable amounts in governmental funds, other than the general fund, are neither restricted nor committed. Assignments may take place after the end of the reporting period.

Unassigned - Includes residual positive fund balance within the general fund which has not been classified within the other above mentioned categories. Unassigned fund balance may also include negative balances for any governmental fund if expenditures exceed amounts restricted, committed or assigned for those purposes.

Southern Ozaukee Fire and EMS Department

Notes to Financial Statements

December 31, 2024

SOFD considers restricted amounts to be spent first when both restricted and unrestricted fund balance is available unless there are legal documents/contracts that prohibit doing this, such as in grant agreements requiring dollar for dollar spending. Additionally, SOFD would first use committed, then assigned and lastly unassigned amounts of unrestricted fund balance when expenditures are made.

Pension

The fiduciary net position of the Wisconsin Retirement System (WRS) has been determined using the flow of economic resources measurement focus and accrual basis of accounting. This includes for purposes of measuring the following:

- Net Pension Liability (Asset);
- Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions; and
- Pension Expense (Revenue)

Information about the fiduciary net position of the WRS and additions to/deductions from WRS' fiduciary net position have been determined on the same basis as they are reported by the WRS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Postemployment Benefits Other Than Pensions (OPEB)

For purposes of measuring the total OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB and OPEB expense, the SOFD OPEB Plan recognizes benefit payments when due and payable in accordance with the benefit terms.

The fiduciary net position of the Local Retiree Life Insurance Fund (LRLIF) has been determined using the flow of economic resources measurement focus and the accrual basis of accounting. This includes for purposes of measuring following:

- Net OPEB Liability;
- Deferred Outflows of Resources and Deferred Inflows of Resources Related to Other Postemployment Benefits; and
- OPEB Expense (Revenue).

Information about the fiduciary net position of the LRLIF and additions to/deductions from LRLIF's fiduciary net position have been determined on the same basis as they are reported by LRLIF. For this purpose, benefit payments (including refunds of member contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

2. Stewardship, Compliance and Accountability

Financial Contributions

City of Mequon shall bear 84.43% and Village of Thiensville shall bear 15.57% of SOFD's approved operating and capital improvement expenses. Either municipality may request that the percentages be renegotiated as of or after December 31, 2027, and every five years thereafter. Renegotiated percentages will consider fluctuations in number of service calls per year, population and equalized value of improvements with the heaviest weight applied to number of service calls per year.

Southern Ozaukee Fire and EMS Department

Notes to Financial Statements
December 31, 2024

Budgetary Information

Budgetary information is derived from the annual operating budget and is presented using the same basis of accounting for the general fund as described in Note 1. A budget for the general fund has been created.

3. Detailed Notes on All Funds

Deposits and Investments

SOFD's deposits and investments at year end were comprised of the following:

	<u>Carry Value</u>	<u>Statement Balance</u>	<u>Associated Risks</u>
Demand deposits	\$ 1,482,475	\$ 1,562,604	Custodial credit risk
Reconciliation to financial statements per statement of net position	<u>\$ 1,482,475</u>		

Deposits in each local and area bank are insured by the FDIC in the amount of \$250,000 for time and savings accounts (including NOW accounts), \$250,000 for demand deposit accounts (interest-bearing and noninterest bearing). In addition, if deposits are held in an institution outside of the state in which the government is located, insured amounts are further limited to a total of \$250,000 for the combined amount of all deposit accounts.

Bank accounts are also insured by the State Deposit Guarantee Fund in the amount of \$1,000,000. However, due to the nature of this fund, recovery of material principal losses may not be significant to individual municipalities. This coverage has not been considered in computing custodial credit risk.

Custodial Credit Risk

Deposits

Custodial credit risk is the risk that in the event of a financial institution failure, SOFD's deposits may not be returned to SOFD.

As of December 31, 2024, \$209,115 of SOFD's total bank balances were exposed to custodial credit risk as uninsured and uncollateralized.

Receivables

Receivables as of year-end for the general fund, including the applicable allowances for uncollectible accounts are as follows:

	<u>Receivable</u>
Accounts receivable balance	\$ 28,040
Ambulance receivable balance	1,190,732
Less allowance for uncollectible	<u>(642,995)</u>
Net total receivables	<u>\$ 575,777</u>

Southern Ozaukee Fire and EMS Department

Notes to Financial Statements

December 31, 2024

Capital Assets

Capital asset activity for the year ended December 31, 2024, was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Capital assets being depreciated:				
Equipment	\$ 507,806	\$ -	\$ -	\$ 507,806
Vehicles	1,751,300	340,462	-	2,091,762
Total capital assets being depreciated	<u>2,259,106</u>	<u>340,462</u>	<u>-</u>	<u>2,599,568</u>
Less accumulated depreciation for:				
Equipment	(68,110)	(68,110)	-	(136,220)
Vehicles	(239,739)	(246,548)	-	(486,287)
Total accumulated depreciation	<u>(307,849)</u>	<u>(314,658)</u>	<u>-</u>	<u>(622,507)</u>
Total capital assets, net of depreciation	<u>\$ 1,951,257</u>	<u>\$ 25,804</u>	<u>\$ -</u>	<u>\$ 1,977,061</u>

Depreciation expense was charged to the public safety function.

4. Other Information

Employees' Retirement System

Plan Description

The WRS is a cost-sharing multiple-employer defined benefit pension plan. WRS benefits and other plan provisions are established by Chapter 40 of the Wisconsin Statutes. Benefit terms may only be modified by the legislature. The retirement system is administered by the Wisconsin Department of Employee Trust Funds (ETF). The system provides coverage to all eligible State of Wisconsin, local government and other public employees. All employees, initially employed by a participating WRS employer on or after July 1, 2011, expected to work at least 1,200 hours a year (880 hours for teachers and school district educational support employees) and expected to be employed for at least one year from employee's date of hire are eligible to participate in the WRS.

ETF issues a standalone Annual Comprehensive Financial Report (ACFR), which can be found at <https://etf.wi.gov/about-etf/reports-and-studies/financial-reports-and-statements>.

Additionally, ETF issued a standalone Wisconsin Retirement System Financial Report, which can also be found using the link above.

Southern Ozaukee Fire and EMS Department

Notes to Financial Statements
December 31, 2024

Vesting

For employees beginning participation on or after January 1, 1990, and no longer actively employed on or after April 24, 1998, creditable service in each of five years is required for eligibility for a retirement annuity. Participants employed prior to 1990 and on or after April 24, 1998, and prior to July 1, 2011, are immediately vested. Participants who initially became WRS eligible on or after July 1, 2011, must have five years of creditable service to be vested.

Benefits Provided

Employees who retire at or after age 65 (54 for protective occupation employees, 62 for elected officials and executive service retirement participants, if hired on or before December 31, 2016) are entitled to a retirement benefit based on a formula factor, their final average earnings, and creditable service.

Final average earnings is the average of the participant's three highest annual earnings period. Creditable service includes current service and prior service for which a participant received earnings and made contributions as required. Creditable service also includes creditable military service. The retirement benefit will be calculated as a money purchase benefit based on the employee's contributions plus matching employer's contributions, with interest, if that benefit is higher than the formula benefit.

Vested participants may retire at age 55 (50 for protective occupations) and receive an actuarially-reduced benefit. Participants terminating covered employment prior to eligibility for an annuity may either receive employee-required contributions plus interest as a separation benefit or leave contributions on deposit and defer application until eligible to receive a retirement benefit.

The WRS also provides death and disability benefits for employees.

Southern Ozaukee Fire and EMS Department

Notes to Financial Statements
December 31, 2024

Postretirement Adjustments

The Employee Trust Funds Board may periodically adjust annuity payments from the retirement system based on annual investment performance in accordance with s. 40.27, Wis. Stat. An increase (or decrease) in annuity payments may result when investment gains (losses), together with other actuarial experience factors, create a surplus (shortfall) in the reserves, as determined by the district's consulting actuary. Annuity increases are not based on cost of living or other similar factors. For Core annuities, decreases may be applied only to previously granted increases. By law, Core annuities cannot be reduced to an amount below the original, guaranteed amount (the Floor) set at retirement. The Core and Variable annuity adjustments granted during recent years are as follows:

Years Ending December 31:	Core Fund Adjustment	Variable Fund Adjustment
2014	4.7 %	25.0 %
2015	2.9	2.0
2016	0.5	(5.0)
2017	2.0	4.0
2018	2.4	17.0
2019	0.0	(10.0)
2020	1.7	21.0
2021	5.1	13.0
2022	7.4	15.0
2023	1.6	(21.0)

Contributions

Required contributions are determined by an annual actuarial valuation in accordance with Chapter 40 of the Wisconsin Statutes. The employee required contribution is one-half of the actuarially determined contribution rate for General category employees and Executives and Elected Officials. Starting on January 1, 2016, the Executives and Elected Officials category merged into the General Employee Category. Required contributions for protective employees are the same rate as general employees. Employers are required to contribute the remainder of the actuarially determined contribution rate. The employer may not pay the employee required contribution unless provided for by an existing collective bargaining agreement.

During the reporting period, the WRS recognized \$179,611 in contributions from SOFD.

Contribution rates for the plan year reported as of December 31, 2024 are:

Employee Category	Employee	Employer
General (Executives & Elected Officials)	6.90 %	6.90 %
Protective with Social Security	6.80	13.20
Protective without Social Security	6.80	18.10

Southern Ozaukee Fire and EMS Department

Notes to Financial Statements

December 31, 2024

Pension Liability, Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At December 31, 2024, SOFD reported a liability of \$218,585 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2022 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2022 rolled forward to December 31, 2023. No material changes in assumptions or benefit terms occurred between the actuarial valuation date and the measurement date. SOFD's proportion of the net pension liability was based on SOFD's share of contributions to the pension plan relative to the contributions of all participating employers. At December 31, 2023, SOFD's proportion was 0.01470171%, which was a decrease of .06914804% from its proportion measured as of December 31, 2022.

For the year ended December 31, 2024, SOFD recognized pension expense of \$255,489.

At December 31, 2024, SOFD reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between projected and actual experience	\$ 881,336	\$ 1,167,335
Changes in assumptions	95,275	-
Net differences between projected and actual earnings on pension plan investments	761,736	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	-	251,256
Employer contributions subsequent to the measurement date	200,391	-
Total	<u>\$ 1,938,738</u>	<u>\$ 1,418,591</u>

Southern Ozaukee Fire and EMS Department

Notes to Financial Statements

December 31, 2024

\$200,391 reported as deferred outflows of resources related to pension resulting from the WRS Employer's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability (asset) in the year ended December 31, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

Years Ending December 31:	Deferred Outflows of Resources and Deferred Inflows of Resources (Net)
2025	\$ 44,672
2026	50,477
2027	405,800
2028	(181,193)

Actuarial Assumptions

The total pension liability in the December 31, 2023 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Valuation Date:	December 31, 2022
Measurement Date of Net Pension Liability (Asset):	December 31, 2023
Actuarial Cost Method:	Entry Age Normal
Asset Valuation Method:	Fair Value
Long-Term Expected Rate of Return:	6.8%
Discount Rate:	6.8%
Salary Increases:	
Inflation	3.0%
Seniority/Merit	0.1%-5.6%
Mortality:	2020 WRS Experience Mortality Table
Postretirement Adjustments*	1.7%

* No postretirement adjustment is guaranteed. Actual adjustments are based on recognized investment return, actuarial experience and other factors. 1.7% is the assumed annual adjustment based on the investment return assumption and the postretirement discount rate.

Actuarial assumptions are based upon an experience study conducted in 2021 that covered a three-year period from January 1, 2018 to December 31, 2020. The Total Pension Liability for December 31, 2023 is based upon a roll-forward of the liability calculated from the December 31, 2022 actuarial valuation.

Southern Ozaukee Fire and EMS Department

Notes to Financial Statements

December 31, 2024

Long-Term Expected Return on Plan Assets

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. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Allocation Targets and Expected Returns* as of December 31, 2023

Core Fund Asset Class:	Asset Allocation Percent	Long-Term Expected Nominal Rate of Return Percent	Long-Term Expected Real Rate of Return Percent
Public Equity	40 %	7.3 %	4.5 %
Public Fixed Income	27	5.8	3.0
Inflation Sensitive Assets	19	4.4	1.7
Real Estate	8	5.8	3.0
Private Equity/Debt	18	9.6	6.7
Leverage	(12)	3.7	1.0
Total Core Fund	100	7.4	4.6
Variable Fund Asset Class:			
U.S. Equities	70	6.8	4.0
International Equities	30	7.3	4.8
Total Variable Fund	100	7.7	4.5

Asset Allocations are managed within established ranges; target percentages may differ from actual monthly allocations.

New England Pension Consultants' Long-Term U.S. CPI (Inflation) Forecast: 2.7%

The investment policy used for the Core Fund involves reducing equity exposure by leveraging lower-volatility assets, such as fixed income securities. Currently, an asset allocation target of 12% policy leverage is used, subject to an allowable range of up to 20%.

Southern Ozaukee Fire and EMS Department

Notes to Financial Statements

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Single Discount Rate

A single discount rate of 6.8% was used to measure the Total Pension Liability for the current and prior year. This discount rate is based on the expected rate of return on pension plan investments of 6.80% and a municipal bond rate of 3.77% (Source: Fixed-income municipal bonds with 20 years to maturity that include only federally tax-exempt municipal bonds as reported in Fidelity Index's "20-year Municipal GO AA Index" as of December 31, 2023. In describing this index, Fidelity notes that the Municipal Curves are constructed using option-adjusted analytics of a diverse population of over 10,000 tax exempt securities). Because of the unique structure of WRS, the 6.8% expected rate of return implies that a dividend of approximately 1.7% will always be paid. For purposes of the single discount rate, it was assumed that the dividend would always be paid. The projection of cash flows used to determine this single discount rate assumed that plan member 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 member rate. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments (including expected dividends) of current plan members. Therefore, the investment rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of SOFD's Proportionate Share of the Net Pension Liability (Asset) to Changes in the Discount Rate

The following presents SOFD's proportionate share of the net pension liability (asset) calculated using the discount rate of 6.80%, as well as what SOFD's proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (5.80%) or 1-percentage-point higher (7.80%) than the current rate:

	1% Decrease to Discount Rate (5.80%)	Current Discount Rate (6.80%)	1% Increase to Discount Rate (7.80%)
SOFD's proportionate share of the net pension liability (asset)	\$ 2,112,738	\$ 218,585	\$ (1,106,832)

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in separately issued financial statements available at <http://etf.wi.gov/publications/cafr.htm>.

Risk Management

SOFD is exposed to various risks of loss related to torts; theft of, damage to or destruction of assets; errors and omissions; workers compensation; and health care of its employees. All of these risks are covered through the purchase of commercial insurance, with minimal deductibles. Settled claims have not exceeded the commercial coverage in any of the past three years. There were no significant reductions in coverage compared to the prior year.

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Commitments and Contingencies

Claims and judgments are recorded as liabilities if all the conditions of Governmental Accounting Standards Board pronouncements are met. The liability and expenditure for claims and judgments are only reported in governmental funds if it has matured. Claims and judgments are recorded in the government-wide statements and proprietary funds as expenses when the related liabilities are incurred.

From time to time, SOFD is party to various pending claims and legal proceedings. Although the outcome of such matters cannot be forecasted with certainty, it is the opinion of management that the likelihood is remote that any such claims or proceedings will have a material adverse effect on SOFD's financial position or results of operations.

Other Postemployment Benefits

General Information About the OPEB Plan

Plan Description

SOFD's defined benefit OPEB plan, Retiree Benefits Plan (RBP), provides OPEB for all permanent full-time general and public safety employees of the Department. RBP is a single-employer defined benefit OPEB plan administered by the Department. Article 11 of the State Compiled Statutes grants the authority to establish and amend the benefit terms and financing requirements to the Board. No assets were accumulated in a trust that meets the criteria in paragraph 4 of Statement 75.

Benefits Provided

For non-represented employees (including command staff), the RBP provides monthly contributions towards the premium in the amount of \$725 for a single health insurance plan or \$1,800 for a family health insurance plan. For a period of time not to exceed one month for 80 hours of sick leave for a 40 hour week employee or 112 hours of sick leave for a 56 hour week employee of accumulated, unused medical leave.

Total OPEB Liability

SOFD's total OPEB liability of \$23,228 was measured as of December 31, 2023, and was determined by an actuarial valuation as of that date.

Actuarial Assumptions and Other Inputs

The total OPEB liability in the December 31, 2023 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.50%
Salary increases	3.00%
Healthcare cost trend rates	6.5%, then by 0.10% per year down to 4.50%, and level thereafter

The discount rate was based on all years of projected payments discounted at a municipal bond rate of 4.00%.

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Mortality rates were based on the 2020 WRS Experience Tables for Active Employees and Health Retirees projected with mortality improvements using the fully generational MP-2021 projection scale from a base year of 2010.

The actuarial assumptions used in the December 31, 2023 valuation were based on the results of an experience study conducted in 2021 using WRS experience from 2018-2020.

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate

The following presents the total OPEB liability of the SOFD, as well as what the SOFD's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (3.0%) or 1-percentage-point higher (5.0%) than the current discount rate:

	<u>1% Decrease</u>	<u>Discount Rate</u>	<u>1% Increase</u>
Total OPEB liability	\$ 23,489	\$ 23,228	\$ 22,969

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates

The following presents the total OPEB liability of the SOFD, as well as what the SOFD's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower (5.5% decreasing to 3.5%) or 1-percentage-point higher (7.5% decreasing to 5.5%) than the current healthcare cost trend rates:

	<u>1% Decrease</u>	<u>Healthcare Cost Trend Rates</u>	<u>1% Increase</u>
Total OPEB liability	\$ 23,071	\$ 23,228	\$ 23,390

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended December 31, 2024, the SOFD recognized negative OPEB expense of \$4,897. At December 31, 2024, the SOFD reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

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Local Retiree Life Insurance Fund (LRLIF)

Plan Description

The LRLIF is a multiple-employer, defined benefit OPEB plan. LRLIF benefits and other plan provisions are established by Chapter 40 of the Wisconsin Statutes. The Wisconsin Department of Employee Trust Funds (ETF) and the Group Insurance Board have statutory authority for program administration and oversight. The plan provides postemployment life insurance benefits for all eligible employees.

ETF issues a standalone Annual Comprehensive Financial Report (ACFR), which can be found at <https://etf.wi.gov/about-etf/reports-and-studies/financial-reports-and-statements>.

Additionally, ETF issued a standalone Retiree Life Insurance Financial Report, which can be found at the link above.

Benefits Provided

The LRLIF plan provides fully paid up life insurance benefits for post-age 64 retired employees and pre-65 retirees who pay for their coverage.

Contributions

The Group Insurance Board approves contribution rates annually, based on recommendations from the insurance carrier. Recommended rates are based on an annual valuation, taking into consideration an estimate not of the present value of future benefits and the present value of future contributions. A portion of employer contributions made during a member's working lifetime funds a postretirement benefit.

Employers are required to pay the following contribution based on employee contributions for active members to provide them with Basic Coverage after age 65. There are no employer contributions required for pre-age 65 annuitant coverage. If a member retires prior to age 65, they must continue paying the employee premiums until age 65 in order to be eligible for the benefit after age 65.

Contribution rates for the plan year reported as of December 31, 2024 are:

Coverage Type	Employer Contributions
50% Postretirement Coverage	40% of Employee Contribution
25% Postretirement Coverage	20% of Employee Contribution

Southern Ozaukee Fire and EMS Department

Notes to Financial Statements

December 31, 2024

Member contributions are based upon nine age bands through age 69 and an additional eight age bands for those age 70 and over. Participating members must pay monthly contribution rates per \$1,000 of coverage until the age of 65 (age 70 if active).

The member contribution rates in effect for the plan year are as listed below:

Life Insurance Member Contribution Rates for the Plan Year			
Attained Age	Basic	Supplemental	
Under 30	\$ 0.05	\$	0.05
30-34	0.06		0.06
35-39	0.07		0.07
40-44	0.08		0.08
45-49	0.12		0.12
50-54	0.22		0.22
55-59	0.39		0.39
60-64	0.49		0.49
65-69	0.57		0.57

Disabled members under age 70 receive a waiver-of-premium benefit.

During the reporting period, the LRLIF recognized \$2,416 in contributions from the employer.

OPEB Liability, OPEB Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEBs

At December 31, 2024, the SOFD reported a liability of \$82,494 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of December 31, 2023, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of December 31, 2022 rolled forward to December 31, 2023. No material changes in assumptions or benefit terms occurred between the actuarial valuation date and the measurement date. The SOFD's proportion of the net OPEB liability was based on the SOFD's share of contributions to the OPEB plan relative to the contributions of all participating employers. At December 31, 2023, the SOFD's proportion was 0.01793100% which was an decrease of 0.13757400% from its proportion measured as of December 31, 2022.

For the year ended December 31, 2024, the SOFD recognized OPEB expense of \$58,731.

Southern Ozaukee Fire and EMS Department

Notes to Financial Statements

December 31, 2024

At December 31, 2024, the SOFD reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 7,302
Net differences between projected and actual earnings on OPEB plan investments	1,114	-
Changes in assumptions	25,804	32,484
Changes in proportion and differences between employer contributions and proportionate share of contributions	76,452	-
Employer contributions subsequent to the measurement date	2,416	-
Total	<u>\$ 105,786</u>	<u>\$ 39,786</u>

\$2,416 reported as deferred outflows related to OPEB resulting from the LRLIF Employer's contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ended December 31, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Years Ending December 31:	Net Deferred Outflows (Inflows) of Resources (Net)
2025	\$ 12,280
2026	13,421
2027	10,124
2028	7,609
2029	7,981
Thereafter	12,169

Actuarial Assumptions

The net OPEB liability in the actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Valuation Date:	January 1, 2023
Measurement Date of Net OPEB Liability	December 31, 2023
Experience Study:	January 1, 2018 - December 31, 2020 Published November 19, 2021
Actuarial Cost Method:	Entry Age Normal
20 Year Tax-Exempt Municipal Bond Yield*	3.72%
Long-Term Expected Rate of Return:	4.25%
Discount Rate:	3.76%
Salary Increases:	
Wage Inflation	3.0%
Seniority/Merit	0.1%-5.6%
Mortality:	2020 WRS Experience Mortality Table

* Based on the Bond Buyers GO Index

Southern Ozaukee Fire and EMS Department

Notes to Financial Statements

December 31, 2024

Actuarial assumptions are based upon an experience study conducted in 2021 that covered a three-year period from January 1, 2018 to December 31, 2020. The Total OPEB Liability for December 31, 2023 is based upon a roll-forward of the liability calculated from the January 1, 2023 actuarial valuation.

Long-Term Expected Return on Plan Assets

The long-term expected rate of return is determined by adding expected inflation to expected long-term real returns and reflecting expected volatility and correlation. Investments for the LRLIF are held with Securian, the insurance carrier. Interest is calculated and credited to the LRLIF based on the rate of return for a segment of the insurance carriers' general fund, specifically 10-year A-Bonds (as a proxy and not tied to any specific investments). The overall aggregate interest rate is calculated using a tiered approach based on the year the funds were originally invested and the rate of return for that year. Investment interest is credited based on the aggregate rate of return and assets are not adjusted to fair market value. Furthermore, the insurance carrier guarantees the principal amounts of the reserves, including all interest previously credited thereto.

State OPEB Life Insurance Asset Allocation Targets and Expected Returns As of December 31, 2023

Asset Class	Index	Target Allocation	Long-Term Expected Geometric Real Rate of Return %
U.S. Intermediate Credit Bonds	Bloomberg U.S. Interm Credit	50.00%	2.45%
U.S. Mortgages	Bloomberg U.S. MBS	50.00	2.83
Inflation			2.30
Long-Term Expected Rate of Return			4.25

The long-term expected rate of return remained unchanged from the prior year at 4.25%. The long-term expected rate of return is determined by adding expected inflation to expected long-term real returns and reflecting expected volatility and correlation. The expected inflation rate remained unchanged from the prior year at 2.30%.

Single Discount Rate

A single discount rate of 3.76% was used to measure the Total OPEB Liability for the current year, as opposed to a discount rate of 2.17% for the prior year. The significant change in the discount rate was primarily caused by the increase in the municipal bond rate from 2.06% as of December 31, 2022 to 3.72% as of December 31, 2023. The Plan's fiduciary net position was projected to be insufficient to make all projected future benefit payments of current active and inactive members. Therefore, the discount rate for calculating the Total OPEB Liability is equal to the single equivalent rate that results in the same actuarial present value as the long-term expected rate of return applied to benefit payments, to the extent that the plan's fiduciary net position is projected to be sufficient to make projected benefit payments, and the municipal bond rate applied to benefit payment to the extent that the plan's fiduciary net position is projected to be insufficient. The plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through December 31, 2036.

The projection of cash flows used to determine the single discount rate assumed that employer contributions will be made according to the current employer contribution schedule and that contributions are made by plan members retiring prior to age 65.

Southern Ozaukee Fire and EMS Department

Notes to Financial Statements
December 31, 2024

Sensitivity of the SOFD's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate

The following presents the SOFD's proportionate share of the net OPEB liability calculated using the discount rate of 3.76%, as well as what the SOFD's proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.76%) or 1-percentage-point higher (4.76%) than the current rate:

	1% Decrease to Discount Rate (2.76%)	Current Discount Rate (3.76%)	1% Increase to Discount Rate (4.76%)
Proportionate share of the net OPEB liability	\$ 110,843	\$ 82,494	\$ 60,855

OPEB Plan Fiduciary Net Position

Detailed information about the OPEB plan's fiduciary net position is available in separately issued financial statements available at <http://etf.wi.gov/publications/cafr.htm>.

Effect of New Accounting Standards on Current-Period Financial Statements

The Governmental Accounting Standards Board (GASB) has approved the following:

- Statement No. 102, *Certain Risk Disclosures*
- Statement No. 103, *Financial Reporting Model Improvements*
- Statement No. 104, *Disclosure of Certain Capital Assets*

When they become effective, application of these standards may restate portions of these financial statements.

REQUIRED SUPPLEMENTARY INFORMATION

Southern Ozaukee Fire and EMS Department

Schedule of Revenues, Expenditures and Change in Fund Balances - Budget and Actual -

General Fund

Year Ended December 31, 2024

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget</u>
Revenues			
Intergovernmental	\$ 563,238	\$ 581,333	\$ 18,095
Intergovernmental charges for service	1,747,219	2,946,173	1,198,954
Licenses and permits	17,122	12,157	(4,965)
Public charges for services	1,434,209	1,500,394	66,185
Investment income	12,000	84,108	72,108
Miscellaneous revenues	-	34,447	34,447
	<u>3,773,788</u>	<u>5,158,612</u>	<u>1,384,824</u>
Total revenues			
Expenditures			
Current:			
Public safety	3,538,510	3,062,439	476,071
Capital outlay	235,278	453,930	(218,652)
	<u>3,773,788</u>	<u>3,516,369</u>	<u>257,419</u>
Total expenditures			
Net change in fund balances	<u>\$ -</u>	<u>1,642,243</u>	<u>\$ 1,642,243</u>
Fund Balance, Beginning		<u>236,082</u>	
Fund Balance, Ending		<u>\$ 1,878,325</u>	

See notes to required supplementary information

Southern Ozaukee Fire and EMS Department

Schedule of Proportionate Share of the Net Pension Liability (Asset) -
 Wisconsin Retirement System
 Year Ended December 31, 2024

WRS Fiscal Year Ending	Proportion of the Net Pension Liability (Asset)	Proportionate Share of the Net Pension Liability (Asset)	Covered Payroll	Proportionate Share of the Net Pension Liability (Asset) as a Percentage of Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
12/31/22	0.08384975 %	\$ 626,869	\$ 1,575,192	39.80%	unknown
12/31/23	0.01470171 %	218,585	1,375,705	15.89%	98.85%

Schedule of Employer Contributions - Wisconsin Retirement System
 Year Ended December 31, 2024

SOFD Fiscal Year Ending	Contractually Required Contributions	Contributions in Relation to the Contractually Required Contributions	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
12/31/23	\$ 136,505	\$ 136,505	\$ -	\$ 2,020,202	6.76 %
12/31/24	200,391	200,391	-	1,418,657	17.16 %

See notes to required supplementary information

Southern Ozaukee Fire and EMS Department

Schedule of Changes in the Total OPEB Liability and Related Ratios -

OPEB Plan

Year Ended December 31, 2024

	<u>2023</u>	<u>2024</u>
Total OPEB Liability		
Service cost	\$ -	\$ 4,082
Interest	-	815
Changes in benefit terms	-	-
Difference between expected and actual experience	18,888	-
Changes in assumptions	22,493	(23,050)
Benefit payments	-	-
	<u>41,381</u>	<u>(18,153)</u>
Total OPEB Liability, Beginning	<u>-</u>	<u>41,381</u>
Total OPEB Liability, Ending	<u>\$ 41,381</u>	<u>\$ 23,228</u>
Covered-employee payroll	<u>\$ 575,307</u>	<u>\$ 793,298</u>
Total OPEB liability as a percentage of covered-employee payroll	7.19%	2.93%

Notes to Schedule:

The SOFD is required to present the last ten years of data, however, accounting standards allow the presentation of as many years as are available until ten fiscal years are presented.

Benefit changes . None.

Accumulation of assets . No assets have been accumulated in a trust that meets the criteria in GASB Statement No. 75.

Changes of assumptions . The discount rate was changed from 4.25% to 4.00%.

A schedule of employer contributions has not been presented because an actuarially determined contribution for the SOFD has not been determined.

Southern Ozaukee Fire and EMS Department

Schedule of Proportionate Share of the Net OPEB Liability -

Local Retiree Life Insurance Fund

Year Ended December 31, 2024

<u>Plan Fiscal Year End</u>	<u>Proportion of the Net OPEB Liability</u>	<u>Proportionate Share of the Net OPEB Liability</u>	<u>Covered Payroll</u>	<u>Proportionate Share of the Net OPEB Liability as a Percentage of Covered Payroll</u>	<u>Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability</u>
12/31/22	0.01180500 %	\$ 55,138	\$ 873,629	6.31 %	unknown
12/31/23	0.01793100 %	82,494	1,295,000	6.37 %	33.90 %

Schedule of Employer Contributions - Local Retiree Life Insurance Fund

Year Ended December 31, 2024

<u>SOFD Fiscal Year End</u>	<u>Contractually Required Contributions</u>	<u>Contributions in Relation to the Contractually Required Contributions</u>	<u>Contribution Deficiency (Excess)</u>	<u>Covered Payroll</u>	<u>Contributions as a Percentage of Covered Payroll</u>
12/31/23	\$ 269	\$ 269	\$ -	\$ 2,020,202	0.01 %
12/31/24	2,416	2,416	-	1,418,657	0.17 %

See notes to required supplementary information

Southern Ozaukee Fire and EMS

Notes to Required Supplementary Information
Year Ended December 31, 2024

Budgetary Information

Budgetary information is derived from the annual operating budget and is presented using generally accepted accounting principles and the modified accrual basis of accounting.

All annual appropriations lapse at year-end unless specifically carried over by the Board. Budgetary control is exercised at the total fund level.

Wisconsin Retirement System

SOFD is required to present the last ten fiscal years data; however, the standards allow the SOFD to present as many years as are available until ten fiscal years are presented.

Changes of benefit terms. There were no changes of benefit terms for any participating employer in WRS.

Changes in assumptions. Based on a three-year experience study conducted in 2021 covering January 1, 2018 through December 31, 2020, the ETF Board adopted assumption changes that were used to measure the total pension liability beginning with the year-end December 31, 2021, including the following:

- Lowering the long-term expected rate of return from 7.0% to 6.8%
- Lowering the discount rate from 7.0% to 6.8%
- Lowering the price inflation rate from 2.5% to 2.4%
- Lowering the postretirement adjustments from 1.9% to 1.7%
- Mortality assumptions were changed to reflect updated trends by transitioning from the Wisconsin 2018 Mortality Table to the 2020 WRS Experience Mortality Table

Based on a three-year experience study conducted in 2018 covering January 1, 2015 through December 31, 2017, the ETF Board adopted assumption changes that were used to measure the total pension liability beginning with the year-ended December 31, 2018, including the following:

- Lowering the long-term expected rate of return from 7.2% to 7.0%
- Lowering the discount rate from 7.2% to 7.0%
- Lowering the wage inflation rate from 3.2% to 3.0%
- Lowering the price inflation rate from 2.7% to 2.5%
- Lowering the postretirement adjustments from 2.1% to 1.9%
- Mortality assumptions were changed to reflect updated trends by transitioning from the Wisconsin 2012 Mortality Table to the Wisconsin 2018 Mortality Table

Other Postemployment Benefits, Local Retiree Life Insurance Fund

The amounts determined for each fiscal year were determined as of the calendar year-end and occurred within the fiscal year.

SOFD is required to present the last ten fiscal years data; however, the standards allow the SOFD to present as many years as are available until ten fiscal years are presented.

Changes in benefit terms. There were no changes of benefit terms for any participating employer in the Local Retiree Life Insurance Fund.

Southern Ozaukee Fire and EMS

Notes to Required Supplementary Information
Year Ended December 31, 2024

Changes in assumptions. In addition to the rate changes detailed in the tables above, the State of Wisconsin Employee Trust Fund Board adopted economic and demographic assumption changes based on a three year experience study performed for the Wisconsin Retirement System. These assumptions are used in the actuarial valuations of OPEB liabilities (assets) for the retiree life insurance programs and are summarized below.

The assumption changes that were used to measure the December 31, 2021 total OPEB liabilities, including the following:

- Lowering the price inflation rate from 2.5% to 2.4%
- Mortality assumptions were changed to reflect updated trends by transitioning from the Wisconsin 2018 Mortality Table to the 2020 WRS Experience Mortality Table



Southern Ozaukee Fire and
Emergency Medical Services Department
11300 N. Buntrock Avenue
Mequon, WI 53092
(262) 242-2530
(262) 242-5042 Fax

Date: June 15, 2025

To: SOFD Full-Time Staff

From: David L. Bialk, Fire Chief

Subject: Administrative Directive 004: Financial Policy Oversight

In support of sound financial practices and to promote transparency, accountability, and oversight in the Southern Ozaukee Fire Department's bookkeeping, the following internal controls shall be implemented effective immediately:

1. Cash Reconciliation

All Fire Department checking and money market accounts will be reconciled on the last day of each month. Reconciliations must be documented and retained for auditing purposes.

2. Ambulance Billing Reviews

Each month, five EMS reports will be randomly selected by the Deputy Chief and reviewed for billing accuracy and compliance. Reviews will be documented and maintained as part of internal audit procedures.

3. QuickBooks Allocations

Automatic allocations in the financial software (QuickBooks) will be disabled. All transactions must be entered manually to ensure accuracy and appropriate oversight.

Fire Chief David L Bialk

David L Bialk

Southern Ozaukee Fire Department



Southern Ozaukee Fire and
Emergency Medical Services Department
11300 N. Buntrock Avenue
Mequon, WI 53092
(262) 242-2530
(262) 242-5042 Fax

TO: SOFD Board
FROM: Fire Chief David L Bialk
DATE: July 19, 2025
SUBJECT: Year-to-Date Budget Report Q2

Background

The Southern Ozaukee Fire Department (SOFD) has adopted a 2025 operating budget of \$3.571 million, which is heavily reliant on revenue generation. The budget is funded through a combination of 49% tax levy and 51% non-tax revenue. Non-tax revenue sources include ambulance billing, the State of Wisconsin 2% Dues Program, the Wisconsin Ambulance Funding Assistance Program, crash billing, false alarm fees, fire inspection square footage charges, and other related chargebacks.

Analysis

Expenditures

A review of preliminary, unaudited financial data for 2025 indicates the following:

- Expense Trends: Overall expenses are trending below both the 2025 budget and actual expenditures for 2024. This reflects effective cost management by the department.
- Budget Utilization: As of mid-year, approximately 37% of the 2025 budget has been spent, despite 50% of the year having elapsed. This indicates that expenditures are tracking below expected levels.
- Year-over-Year Comparison: Spending in the first half of 2025 is 6% lower than the same period in 2024. This reduction is primarily due to unfilled staff positions earlier in the year and suggests potential cost savings or improved operational efficiency.

Revenue

In the first six months of 2025, ambulance billing generated gross charges of \$1.433 million, compared to \$1.378 million during the same period in 2024. It is important to note that not all June 2025 charges had been billed at the time of this report, indicating the actual total will likely be higher. Despite this, the data already reflects a year-over-year increase in gross charges.

Medicaid Supplemental Payment Program

SOFD has applied for additional funding through the Wisconsin Department of Health Services' Medicaid Supplemental Payment Program for EMS providers (also known as the Ground Emergency Medical Transportation, or GEMT, program). This initiative provides enhanced reimbursement for EMS providers serving Medicaid patients, with payments retroactive to 2023.

- 2023 Reimbursement: SOFD is eligible to receive approximately \$17,000.
- 2024 Reimbursement: Final figures are pending but are projected to be around \$15,000.

Fiscal Impact

At this point in the fiscal year, SOFD is on track to remain within its 2025 budget.

Recommendation

Staff will continue to monitor the department's financial performance monthly to ensure alignment with the approved budget.

Fire Chief David L Bialk

David L Bialk

Southern Ozaukee Fire Department

Expenditures	2024	2025	Difference
<i>51000 Contractual Services</i>			
51500 Legal Fees	\$ 35,779.23		\$ (35,779.23)
51550 Audit Services	\$ 17,950.00	\$ 19,219.20	\$ 1,269.20
51600 IT Services	\$ 28,369.93	\$ 2,545.29	\$ (25,824.64)
51650 Billing Services	\$ 34,989.20	\$ 28,893.83	\$ (6,095.37)
51700 Advertising/Promotional		\$ 37.80	\$ 37.80
51900 Misc Contracted Services	\$ 20,153.31	\$ 19,426.00	\$ (727.31)
Total 51000 Contractual Services	\$ 137,241.67	\$ 70,122.12	\$ (67,119.55)
<i>54000 Personnel Services</i>			
54100 Dues & Subscriptions	\$ 95.00		\$ (95.00)
54200 Meetings & Conferences	\$ 2,692.64	\$ 2,707.76	\$ 15.12
54300 Training	\$ 21,348.59	\$ 9,517.91	\$ (11,830.68)
54400 Uniforms	\$ 3,896.36	\$ 2,699.36	\$ (1,197.00)
54500 Books & Periodicals	\$ 519.57	\$ 250.96	\$ (268.61)
54600 Pre-Employment Examinations	\$ 2,734.00	\$ 6,216.00	\$ 3,482.00
54700 Recruitment			\$ -
Total 54000 Personnel Services	\$ 31,286.16	\$ 21,391.99	\$ (9,894.17)
<i>55000 Commodities</i>			
55100 Office Supplies	\$ 420.11		\$ (420.11)
55200 Telephone	\$ 4,555.34	\$ 3,910.36	\$ (644.98)
55300 Printing/Copy Machine Supplies	\$ 311.34	\$ 208.93	\$ (102.41)
55400 Postage	\$ 143.38	\$ 12.69	\$ (130.69)
55450 Bank Fees	\$ 15.00	\$ 10.00	\$ (5.00)
55700 Work Supplies	\$ 39,889.32	\$ 38,435.93	\$ (1,453.39)
Total 55000 Commodities	\$ 45,334.49	\$ 42,577.91	\$ (2,756.58)
<i>56000 Maintenance</i>			
56100 Building Maintenance	\$ 216.64	\$ 1,764.37	\$ 1,547.73
56200 Truck Maintenance	\$ 49,676.65	\$ 15,636.18	\$ (34,040.47)
56250 Vehicle Maintenance (DPW)	\$ 2,900.89	\$ 1,413.71	\$ (1,487.18)
56260 Vehicle Maintenance Labor (DPW)	\$ 54,825.60		\$ (54,825.60)
56300 Fuel	\$ 15,251.85	\$ 2,661.83	\$ (12,590.02)
56400 Equipment Repairs/Small Tools	\$ 5,694.37	\$ 4,969.37	\$ (725.00)
56600 Radio Maintenance		\$ 4,999.00	\$ 4,999.00
Total 56000 Maintenance	\$ 128,566.00	\$ 31,444.46	\$ (97,121.54)
<i>57000 Insurance</i>			
57100 Liability insurance	\$ 30,152.00	\$ 17,157.50	\$ (12,994.50)
57200 Vehicle Insurance	\$ 14,187.00	\$ 7,097.50	\$ (7,089.50)
57300 Workers Compensation Insurance	\$ 44,514.00	\$ 25,473.00	\$ (19,041.00)
57400 Property Insurance	\$ 2,556.00		\$ (2,556.00)
57500 EAP	\$ 6,000.00		\$ (6,000.00)
57600 Cyber Crime Insurance		\$ 1,095.50	\$ 1,095.50
57700 Accident Insurance		\$ 5,489.00	\$ 5,489.00
57800 Crime Insurance		\$ 392.50	\$ 392.50

Total 57000 Insurance	\$	97,409.00	\$	56,705.00	\$	(40,704.00)
670100 Personnel Wages						
670101 Regular Employees-Salary, FT, PT	\$	537,093.99	\$	427,438.74	\$	(109,655.25)
670150 EMS Call Wages	\$	106,072.73	\$	95,702.43	\$	(10,370.30)
670151 Fire Call Wages	\$	94,929.91	\$	62,262.78	\$	(32,667.13)
670160 Station Work Wages	\$	2,746.30	\$	6,955.00	\$	4,208.70
670161 Vehicle Inspection Wages	\$	4,362.97	\$	3,314.87	\$	(1,048.10)
670162 Training Wages	\$	36,327.62	\$	25,023.15	\$	(11,304.47)
670163 FSLA Pay					\$	-
670164 Holiday Pay					\$	-
670171 On Call Hours Wages	\$	53,524.96	\$	46,037.04	\$	(7,487.92)
670173 Paramedic POP	\$	80,952.23	\$	191,235.49	\$	110,283.26
670175 Employee on Premise Wages	\$	11,213.20	\$	31,033.14	\$	19,819.94
Total 670100 Personnel Wages	\$	927,223.91	\$	889,002.64	\$	(38,221.27)
673100 Fringe Benefits						
673101 Social Security	\$	71,684.73	\$	68,051.05	\$	(3,633.68)
673105 WRS	\$	86,259.90	\$	80,636.19	\$	(5,623.71)
673201 Health Insurance	\$	54,401.71	\$	48,592.31	\$	(5,809.40)
673203 Life Insurance	\$	863.38	\$	830.40	\$	(32.98)
Total 673100 Fringe Benefits	\$	213,209.72	\$	198,109.95	\$	(15,099.77)
Total Expenditures	\$	1,399,331.95	\$	1,309,354.07	\$	(89,977.88)

**Southern Ozaukee Fire Department
Workplan 2025**

Project	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Finalize Employee Handbook (Holdover 2024)												
Finalize Financial Polices (Holdover 2024)												
Hire 1 Fulltime FF/Paramedic (Done)			Complete									
Review Capital Equipment and Funding												
Recruit for and Hire a Deputy Chief (Done)			Complete									
Provide Management Training for Command Staff (In Progress)												
Create an Acting Battalion Chief Handbook (In Progress)												
Provide Training on EMS Documentation (Done)			Complete									
Amend IGA for Building Usage												
Create 2026 Budget (Beginning in July)												
Create Strategic Plan (In Progress)												
Create a Fire Commission Handbook												



Southern Ozaukee Fire and
Emergency Medical Services Department
11300 N. Buntrock Avenue
Mequon, WI 53092
(262) 242-2530
(262) 242-5042 Fax

TO: SOFD Board

FROM: Fire Chief David L Bialk

DATE: July 9, 2025

SUBJECT: Strategic Planning Review

Background

The development of a comprehensive strategic plan is part of the Southern Ozaukee Fire Department's (SOFD) 2024–2025 Workplan. The planning process was initially started in May 2024 but experienced a temporary delay due to personnel changes.

In December 2024, the planning effort resumed with the confirmation of dates and venues for strategic planning sessions. The first phase of the process involved internal stakeholders and was conducted over two days—March 24-25, 2025—at the SOFD headquarters, with active participation from department members. To ensure as much participation as possible two facilitated sessions were held for SOFD staff, with a total of 46 members participating.

The second phase of the planning process focused on external stakeholders and was held on the afternoon of Thursday, May 1, and the morning of Friday, May 2, 2025, at the River Club of Mequon. A total of 37 individuals committed to the two-day planning retreat. This group included members of the SOFD Board of Directors, municipal and community leaders, and other key stakeholders representing the communities SOFD serves.

To complement the in-person sessions and expand input, Board members Lynn Streeter and Doug Chimenti conducted off-site interviews with individuals unable to attend. In addition to the nine interviews previously conducted during the development of SOFD's Mission, Vision, and Values, five more interviews were completed. These included conversations with members of the Mequon Common Council, a regional fire chief, and a senior living specialist.

This collaborative and inclusive approach was taken to ensure that a broad range of perspectives inform the strategic direction of SOFD.

The information collected throughout the planning process was reviewed by Lynn Streeter and Doug Chimenti and prioritized and organized into a matrix. Areas of the matrix requiring further detail were assigned to subject matter experts from the Board and SOFD staff for additional input. The matrix outlines key strategic initiatives, each broken down into specific objectives. For every objective, clearly defined outcomes have been established, along with assigned responsibilities and target timeframes for completion.

Analysis

Included in the packet is the matrix for the Board’s review. The plan is to have Board members review the priorities and submit written comments to the Chief before July 31, 2025, so the additional feedback can be included in the strategic plan for review and acceptance at the September Board meeting.

Fiscal Impact

Not determined at this time.

Recommendation

None

Fire Chief David L Bialk

David L Bialk

Southern Ozaukee Fire Department

Southern Ozaukee Fire & Emergency Medical Services Department



2025-2030 Strategic Plan

July 4, 2025

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Executive Summary

The Charge

The Southern Ozaukee Fire & Emergency Medical Service Department (SOFD) was formed on January 1, 2023, to serve the City of Mequon and the Village of Thiensville. An Intergovernmental Agreement provides the framework for the SOFD. A Board of Directors is charged with the governance of the SOFD. Having successfully integrated operations and approved its mission, vision and values, the SOFD engaged in a process to develop a five-year strategic plan. The strategic plan will serve as the organization's guide for the future. Oversight will be the responsibility of the Board of Directors, and execution of the plan will be managed by SOFD's Command Staff.

The Approach

Developing a plan with a multi-tier focus is important. The challenges and opportunities of the Fire & EMS environment suggest the need for five (5) strategic priorities. These priorities were developed through a facilitated, two-day retreat attended by the Board of Directors, representatives from the municipalities served and community leaders. Stakeholder input was critical to the process.

Strategic Priorities

- Exceptional People
- Effective & Efficient Operations
- Community Engagement
- Modern Facilities & Equipment
- Sound Financial Planning

Assessment

A framework will be put in place for assessing progress that emphasizes the measurement of objectives, combining quantitative metrics and qualitative indicators.

Background

The Southern Ozaukee Fire and Emergency Medical Services Department (SOFD) was formed on January 1, 2023, to serve the communities of Mequon and Thiensville. An Intergovernmental Agreement (IGA) provides the framework for the SOFD. Through this merger, the departments have consolidated their equipment and personnel into a single, unified organization. A summary of background information can be found in Appendix A.

The Board of Directors is charged with the governance of the SOFD. In 2023 the Board engaged in a process to define the mission, vision and values of the organization. The process included obtaining input from the SOFD membership and key stakeholders in the community. The Department's Annual Plan for 2025 calls for development of a five-year strategic plan. The strategic plan provides a framework for the integration of strategy, operations and finance, as well as guide the future of this growing Department.

Mission, Vision & Values

Our Mission

The Southern Ozaukee Fire & Emergency Medical Services Department exists to ensure the safety of our communities through fire suppression, response to medical emergencies, professional training and public education. We serve our communities to protect people, property and the environment. We provide our citizens with reassurance, aid and comfort when they are vulnerable.

Our Vision

The Southern Ozaukee Fire and Emergency Services Department will continuously strive to be a trusted community service that is recognized for meeting the needs of our citizens, while being good stewards of our resources. We will be known as a modern department with a professionally trained team that attains best practice standards and ensures a high level of readiness. We will innovate and continuously have an eye to the future.

We will accomplish our vision of a strong combination department by investing in our people, with a workforce of committed career and volunteer team members. We will forge strong partnerships to ensure the safety of the communities we serve.

Our Values

Our culture reflects our shared values, and we have pride in all that we do.

Integrity: We live in accordance with our values, demonstrating sound ethical principles and being honest with ourselves and others.

Trust: We believe that reliability and the strength of our relationships is core to our being. Trust fosters respect, provides safety and earns loyalty.

Empathy: We seek to understand the thoughts, feelings and perspectives of others from their point of view. We show compassion for those who feel vulnerable and suffer a loss.

Grit: We exhibit courage, resolve and selfless devotion to duty.

Excellence: We are professional and exceptional in our skills, continuously striving to improve.

Stewardship: We are responsible in our use of financial and human resources.

Plan Development

The Board of Directors developed a list of individuals to participate in a two-day planning retreat to be held in May of 2025. Those invited included the Board of Directors, SOFD members, as well as municipal and community leaders representing those we serve. Thirty-seven individuals were able to commit to the two-day planning event (see Appendix B). In addition to nine interviews that were previously conducted as part of the work to develop our mission, vision and values, five additional individuals were interviewed, including members of the Mequon Common Council, an area Fire Chief and a senior living specialist. To ensure a strong voice in the planning process, two facilitated sessions were held for members of the SOFD. Forty-six (46) members of the Department participated.

Strategic Planning Objectives:

- We will develop a shared understanding of our current state, as well as community and industry changes which will affect service delivery
- We will validate our mission and vision for the future
- We will develop a five-year strategic plan which addresses the key priorities of the SOFD
- We will ensure that our strategic plan aligns with the strategic priorities of the municipalities we serve

Prior to the retreat, participants received a packet of materials which included background materials related to the formation of the SOFD, as well as a profile of the Department's current state. The agenda for the May 1-2, 2025, strategic planning retreat can be found in Appendix C.

Day 1

The stage was set through a learning session that included: An Overview of the History and Formation of SOFD; Trends, Priorities & Challenges of Our Communities; and Current & Future Capabilities of SOFD. At this session, participants reflected on the desired future state of the SOFD and created models for achieving our vision.

Using a collaborative planning model, the following major strategic priorities were identified:

- Retain, train and recruit exceptional people

- Ensure effective and efficient operations by improving our systems and processes
- Enhance our community engagement through strong partnerships, increased visibility and community awareness
- Facilities, equipment and apparatus will be maintained and replaced to ensure a modern department
- Engage in sound financial planning

Day 2

Five table groups were assigned to further develop each of the major strategic priorities. Table groups identified the key objectives to support these priorities, defined outcome measures and determined timeframes.

The strategic plan was then drafted, integrating all the input from approximately 100 stakeholders.

Plan Implementation

The approved 2025-2030 SOFD Strategic Plan will be implemented and monitored by the SOFD Board of Directors, the Fire Chief and the Department's Command Staff. Ongoing communications will also occur with both the City of Mequon Common Council and the Village of Thiensville Board of Trustees.

Strategic Priorities

Strategic Initiative #1: People

Objective 1: Create an employee-driven, personalized, individualized development plan tailored to both interest and needs

Tactic	Outcome	Accountability	Timeframe
a) Plan professional and personal development process	Individual plans that are documented, implemented, and periodically evaluated	Deputy Chief	2026

Objective 2: Develop a unified culture

Tactic	Outcome	Accountability	Timeframe
a) Conduct internal department to assess current culture	Data and shared results	Fire Chief	2026
b) Create a culture committee representative of all constituents	Recommendations for improvement	Fire Chief	2026
c) Communicate and implement recommendations	Inform staff via clear and concise communications	Fire Chief	2026
d) Re-Evaluate/Re-Engage employees	Data, next steps	Fire Chief	Ongoing

Objective 3: Ensure sufficient personnel to respond to emergencies

Tactic	Outcome	Accountability	Timeframe
a) Review current staffing levels and need for future staffing	Recommendations for current & future staffing	Fire Chief	2025
b) Cost-Benefit Analysis	Complete comprehensive cost-benefit analysis of available options	Fire Chief	2025
c) Determine funding sources	Funding sources identified	Fire Chief	2025

d) Recruit and hire additional personnel	Hire and on-board staff	Fire Chief	2026
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Objective 4: Establish distinctive skills training tailored to groups, but that ensures a team effort

Tactic	Outcome	Accountability	Timeframe
a) Determine interest and needs	Identify growth opportunities	Deputy Chief	2026
b) Find training resources	Identify internal and external resources	Deputy Chief	2026
c) Implement Training	Trained instructors, adequate equipment, trained personnel	Deputy Chief	Ongoing

Objective 5: Establish leadership & soft skills training

Tactic	Outcome	Accountability	Timeframe
a) Determine interest and need	Identify growth opportunities	Fire Chief	2026
b) Find training resources on leadership development	Identify resources	Fire Chief	2026
c) Implement leadership training	Group classes and a trained staff	Fire Chief	Ongoing

Objective 6: Partner with educational institutions and formalize agreements that improve hiring pipeline and retention strategies for the Department

Tactic	Outcome	Accountability	Timeframe
a) Formal agreements	Agreements with colleges for dual credit, reduced tuition or reimbursement	Fire Chief	2028
b) Shared resources	Create shared resources like training facilities, housing at CUW	Fire Chief	2028
c) Create community support for aspiring employees	Work with local foundations to create scholarships	Fire Chief	2028

Strategic Initiative #2: Operations

Objective 1: Utilize accreditation process to self-assess strengths, weaknesses, and requirements

Tactic	Outcome	Accountability	Timeframe
a) Utilize Center for Public Safety Excellence Self-Assessment Guide to review accreditation process	SOFD is fully accredited with zero deficiencies	Deputy Chief	2030
b) Identify deficiencies that can be corrected in 12 months or less.	Plan established with current budget to correct deficiencies identified in accreditation report	Deputy Chief	2030
c) Identify deficiencies that can be corrected within 12-24 months	Plan established with future budget allocations necessary to correct deficiencies identified in accreditation report	Deputy Chief	2030

Objective 2: Advance technology integration and processes to optimize response times

Tactic	Outcome	Accountability	Timeframe
a) Reduce response times by utilizing CAD and incorporating concepts into future development plans and infrastructure	Additional duty of Technology Integration established, and program established to use AI, CAD and other technological advances to reduce response times	Deputy Chief	2027
b) Develop technology training for current and future equipment and processes	SOFD personnel can operate and maintain all technological equipment and data entry	Deputy Chief	2027

c) Create a data repository that tracks response times, current and future population trends, and other data that helps SOFD meet current and future needs and response times	Capture data, trends and conduct analysis of SOFD's current state, and project where SOFD needs to be in five years	Deputy Chief	2027
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Objective 3: Establish protocols for succession planning

Tactic	Outcome	Accountability	Timeframe
a) Develop staffing plan that includes organizational chart and job position descriptions	Collectively detail the structure, roles, and staffing levels	Fire Chief	2025
b) Establish training and leadership development plan for succession and promotion	Each member has a career progression plan in place and is trained to assume the next higher level of position, responsibility	Fire Chief	2025
c) Create detailed job descriptions for each position so members can assume the activities of a supervisor/manager	Permit subordinates the ability to assume leadership positions in case of unforeseen leadership vacancy	Fire Chief	2025

Objective 4: Leverage enabling agreements (e.g., MOU, IGA) with MATC to define regional outlook

Tactic	Outcome	Accountability	Timeframe
a) Produce list of required classes needed at MATC	County-wide agreement with MATC to facilitate and guarantee classes semi-annually to meet the Fire & EMS needs	Fire Chief	2026
b) Develop county-wide list of personnel requiring classes at MATC for Fire & EMS employment or continuing education	A county-wide list developed to showcase the need to MATC for classes to be added to schedule each semester	Fire Chief	2026

Strategic Initiative #3: Community

Objective 1: Enhance the community's ability to reduce risk

Tactic	Outcome	Accountability	Timeframe
a) Connect with community in non-emergency settings to reduce emergency calls	Provide preventive, follow-up care, and non-emergency services in the community	EMS Chief	2026
b) Community outreach	Create database to track outreach efforts (e.g., schools, parades, local functions, social media)	CRR Chief	2026
c) Make state of current facilities visible in the community	Host adult ride-alongs, citizen Fire/EMS academy, birthday parties	CRR Chief	2026

Objective 2: Promote prevention and safety by conducting thorough inspections of businesses to ensure compliance and minimize risk

Tactic	Outcome	Accountability	Timeframe
a) Make this a positive activity	Highlight successful inspections, create business ambassadors	CRR Chief	2027
b) Manage the inspection process	Share data with City & Village land management systems	CRR Chief	2027
c) Create proactive ways to manage inspections	Create best practice tip sheet for the community	CRR Chief	2026

Objective 3: Collaborate with senior living facilities, and train staff to review practices

Tactic	Outcome	Accountability	Timeframe
a) Review current practices	Review care facility call volume data	Deputy Chief	2027
b) Assess data	Review of data from care facilities use of 911	Deputy Chief	2028
c) Education	Address highest call, fall prevention, 911 calling	Deputy Chief	2029

d) Re-assess data	Determine impact on 911 service	Deputy Chief	2030
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Strategic Initiative #4: Facilities

Objective 1: Develop & Prioritize Partnerships

Tactic	Outcome	Accountability	Timeframe
a) Ensure future station locations are scalable to long-term needs (e.g., community growth, future consolidation?)	Station location(s) meet current and future needs based on long-term plans	Fire Chief	2025
b) Examine opportunities for equipment sharing, joint purchasing, etc.	Coordinate with other agencies to share and maintain excess equipment	Fire Chief	2026
c) Determine training needs, props to be incorporated into any new facilities (e.g., firearms range)	New facility has adequate land and building space for training facilities and/or training props	Fire Chief	2025
d) Complete benchmarking analysis of size & cost of other area public facility construction projects	Inventory of area police & fire facility projects from 2010 - present	Fire Chief	2025
e) Determine other community needs to be or that can be accommodated within new facilities (e.g., Interfaith Caregivers)	Examine opportunities for partnerships, service-sharing with other agencies, not-for-profits, etc.	Fire Chief	2025

Objective 2: Conduct Analysis of Future Station(s) Needs & Requirements

Tactic	Outcome	Accountability	Timeframe
a) Space Needs Analysis	Contract firm to conduct analysis of space needs for SOFD	Fire Chief	2024

b) Determine Combined Police/Fire Building or Stand-Alone Facilities	Analyze feasibility of a combined public safety center based on available space, needs, cost, response times, etc.	Fire Chief	2025
c) Station Location Analysis	Complete analysis of response times to determine general geographic areas suitable for future station locations	Fire Chief	2025
d) Update Inventory of Potential Sites	Evaluate and determine appropriate sites for further (cost-benefit) analysis	Fire Chief	2025
e) Cost-Benefit Analysis	Complete comprehensive cost-benefit analysis of available options	Fire Chief	2025
f) Land Acquisition	Negotiate, finance and acquire any identified real estate needed for future station construction	Fire Chief	2025

Objective 3: Construct/Renovate Facilities

Tactic	Outcome	Accountability	Timeframe
a) Engage Architectural, Engineering, Other firms as needed	Professional firms engaged to prepare detailed design documents for approval, bidding	Fire Chief	2026
b) Designate Internal Project Team	Project team consisting of representatives from Mequon and Thiensville established	Fire Chief	2026

c) Approve Design	Design(s) approved by City, Village, SOFD Board	Fire Chief	2026
d) Finalize Project Financing	Prepare for and secure debt-issued financing based on approved cost-sharing formula between City, Village & SOFD	Fire Chief	2026
e) Bid Project(s)	Project(s) competitively bid for award	Fire Chief	2026
f) Award Contracts	Construction contract(s) awarded to low responsible bidder(s)	Fire Chief	2026
g) Manage Project & Construct Facility(s)	Construction Management Firm & Project Team oversee facility construction, completion	Fire Chief	2026

Objective 4: Plan Regional Training Center for Fire, EMS & Other Potential Agencies/Partners

Tactic	Outcome	Accountability	Timeframe
a) Determine Interest & Key Stakeholders	Solicit interest from area agencies (e.g., police, fire, public works, utilities, etc.) and confirm participants	Fire Chief	2027
b) Site Selection/Facility	Evaluate and determine appropriate sites for further analysis; complete comprehensive cost-benefit analysis of available options; negotiate, finance and acquire identified real estate needed for future facility	Fire Chief	2027

c) Determine Funding Sources	Establish financing formulas for facility construction and ongoing operations among project participants; identify available grant funding opportunities to offset initial or ongoing costs	Fire Chief	2028
d) Establish Governing Structure	Develop intergovernmental agreement, by-laws, operating budget and other documents to specify how facility will be operated	Fire Chief	2028
e) Design-Bid-Construct	Professional firms engaged to prepare detailed design documents for approval, bidding; project competitively bid for award; Construction Management Firm & Project Team oversee facility construction, completion	Fire Chief	2030
f) Operationalize & Market Facility Availability	Fully outfit newly constructed/remodeled facility for operational use & training; develop materials and market availability of facility to other agencies in region	Fire Chief	2030

Strategic Initiative #5: Financial Planning

Objective 1: Advocate for Legislative Review of Funding

Tactic	Outcome	Accountability	Timeframe
a) Meet with other County departments to determine position/funding needs/goals	Identify unified goals/narratives	Fire Chief	2025
b) Draft and disseminate formal output (Position Letter, Funding Analysis)	Communicate funding needs effectively to appropriate officials	Deputy Chief	2026
c) Seek support from external organizations (e.g., League of Wisconsin Municipalities, other organizations to assist)	Build regional or statewide support	Fire Chief	2026-2027

Objective 2: Create Financial Partnerships

Tactic	Outcome	Accountability	Timeframe
a) Identify goals and explore partnership opportunities internally and externally	Create list of viable financial partnership options; identify internal opportunities; coordinate discussions with other departments for ideas or larger opportunities	Fire Chief Deputy Chief	2025
b) Identify potential partners and initiate contact	Begin partnership discussions	Fire Chief	2027
c) Negotiate terms with selected partners	Finalize partnership agreement(s)	Fire Chief	2030

Objective 3: Conduct Personnel Compensation Study

Tactic	Outcome	Accountability	Timeframe
a) Review current compensation study and determine if an internal or external update is needed	Define scope and process	Fire Chief	2025

b) Identify reasonable party to conduct the review (internal staff or external via RFP)	Assign lead for project	Fire Chief	2025
c) Complete Study	Final Document	Fire Chief	2025
d) Implement recommendations	Implement compensation recommendations into future budget cycles	Fire Chief	2025

Objective 4: Negotiate Future Intergovernmental Agreement

Tactic	Outcome	Accountability	Timeframe
a) Ascertain Desire of Communities to Continue	SOFD/Board/Council Directive to Negotiate Renewal	Fire Chief	2025
b) Establish capital funding plan for apparatus, equipment and facilities	Multi-year (5-10) capital budget	Fire Chief	2025-2031
c) Explore financing options (bonding, levy, service fees, impact fees, fundraising, municipal funding formulas)	Develop sustainable funding sources/formulas	Fire Chief	On going

Objective 5: Resource Sharing with Neighboring Departments

Tactic	Outcome	Accountability	Timeframe
a) Meet with other departments in County to determine and understand shared needs and opportunities	Identify key contacts, list of resources and potential efficiencies	Deputy Chief	2025
b) Negotiate formal resource-sharing agreements with other departments and/or County	Final Agreement	Fire Chief	2027

APPENDIX A

Background information of the Southern Ozaukee Fire Department

The background information provided will offer an overview of the Southern Ozaukee Fire & Emergency Medical Services Department (SOFD), including a brief history of the organization. It will also cover the Department's facilities, staffing structure, personnel, call volume, and budget.

History

On January 1, 2023, the City of Mequon and the Village of Thiensville Fire Departments officially merged to form the Southern Ozaukee Fire & Emergency Medical Services Department (SOFD). Both fire departments boast a long history of dedicated service to their communities, with a combined total of nearly 250 years of experience. Through this merger, the departments have consolidated their equipment and personnel into a single, unified organization. The new department operates with a mix of career staff and Paid-on-Call (POC) members, ensuring a swift response to emergency medical calls, fire incidents, vehicle accidents, and other situations requiring urgent assistance. Included are the original Intergovernmental Agreement between the two communities, along with two subsequent amendments.

Facilities

The Southern Ozaukee Fire & Emergency Medical Services Department is responsible for responding to fire and EMS calls within a 49-square-mile area. The Department primarily operates from two fire stations: Station 1, located at 11300 N. Buntrock Avenue in Mequon, and Station 2, located at 11800 N. Port Washington Road in Mequon. Additionally, Station 3, situated at 250 Elm Street in Thiensville, is specifically designated for water-related incidents on the Milwaukee River and Lake Michigan. While personnel are assigned to Stations 1 and 2, Station 3 is staffed on an as-needed basis for water rescue operations and does not have permanent personnel assigned.

Station 1 (11300 N. Buntrock Avenue)

1. Administrative Offices
2. Equipment
 - Two fire engines
 - Ladder truck
 - Tender truck
 - Two ambulances
 - Grass Fire
 - Special operations truck
 - First responder car (Med 9)
 - Battalion Chief vehicle
3. Five bunk rooms
4. Kitchen and living quarters

Station 2 (11800 N. Port Washington Road)

1. Equipment
 - One fire engine
 - Ladder truck

- Tender truck
 - Two ambulances
2. Five bunk rooms
 3. Kitchen and living quarters

Station 3 (250 Elm Street in Thiensville)

1. Equipment
 - Rigid hull boat
 - Inflatable boat
 - Utility truck

Staffing

Administrative work is done by the Fire Chief, and Deputy Chief, three Battalion Chiefs, and an Administrative Assistant. The Fire Chief and Deputy Chief are responsible for overseeing all departmental operations, personnel, and resources. They manage emergency response strategies, ensure firefighter safety, coordinate training programs, develop policies, and collaborate with local officials on budgeting and resource allocation. Additionally, due to the staffing model at SOFD, many day-to-day operations, including inspections and responses to EMS and fire calls, are critical and essential. The Administrative Assistant, working part-time, handles all accounts receivable and payable, personnel onboarding, employee enrollment in various programs, processing inspection fees, payroll, and addressing inquiries related to ambulance billing. The Administrative Assistant, alongside a Battalion Chief, is also responsible for making journal entries in the accounting software.

Staffing for EMS calls are scheduled for 24-hour coverage. The current goal for staffing is seven people on the schedule per day as follows:

Station 1 (11300 N. Buntrock Avenue)

- Battalion Chief
- 2 EMTs staffing an ambulance
- 1 EMT staffing first responder vehicle

Station 2 (11800 N. Port Washington Road)

- 2 EMTs staffing an ambulance
- 1 EMT staffing first responder vehicle

Of the seven positions assigned daily, two must be filled by paramedics, with the remaining positions staffed by firefighter EMTs or EMTs. In 2023 and 2024, the Department was able to fill nearly all of the required coverage hours, with a shortfall of approximately 1% or about 1,000 hours out of the 60,000 hours needed.

The training requirements for EMS personnel vary significantly depending on their certification level. Currently, EMT-Basic certification requires 144 hours of training, while EMT-Advanced certification demands an additional 180 hours of training, along with clinical experience. Paramedic certification requires over 1,000 hours of training and clinical time.

Personnel

SOFD is a combination department with both full-time and paid-on-call (POC) positions.

1. Full-time
 - Fire Chief
 - Deputy Chief (currently open)
 - Three Battalion Chiefs
 - Administrative Assistant (26 hours/week)
 - Nine paramedic/firefighters
 - Three paramedic positions are currently filled
 - Two positions are being filled by members in paramedic school
 - Two positions are filled with EMT/firefighters attending paramedic school in 2026
 - A hiring process is currently open to fill the remaining two spots
2. Paid-On-Call
 - The remaining scheduled EMS positions are staffed with POC members

Paid-on-Call (POC) members receive \$3.00 per hour on weekdays and \$7.00 per hour on weekends for being "on call" for EMS services. When responding to an EMS call, they are compensated at an hourly rate ranging from \$28 to \$36, depending on experience. In addition to the POC structure, the Department also utilizes a Paid-On-Premises (POP) program to fill vacant paramedic shifts. Under this program, at least one paramedic is assigned to each side of the City. POP members are paid \$34 per hour and do not receive additional compensation for responding to calls. Firefighters are not scheduled for on-call shifts. They respond to fire calls as needed and are compensated with an hourly rate. All firefighters are required to complete a minimum of 60 hours of Fire 1 certification training.

Call Volume

When combined, the Mequon and Thiensville Fire Departments (now SOFD) have seen double digit increases in call volume over the last 10 years. Calls for service in 2024 were 3,948 calls. See the 2024 Annual Report for more details.

Budget

The SOFD budget for 2025 is \$3,721,465, with 49% of the budget derived from revenue and the remaining 51% funded through tax levies from the two communities. The majority of revenue is generated through ambulance transport. Contributions from each community are established by the intergovernmental agreement, with Mequon contributing 84.43% and Thiensville contributing 15.57%.

Additionally, the SOFD maintains a separate capital fund for future needs. Mequon currently contributes \$110,000 annually, while Thiensville contributes \$20,285. As of January 1, 2025, the capital account fund balance stands at \$930,000.

APPENDIX B

Strategic Planning Participants

Chris Anderson
Brenda Arnett
Gregg Bach
David Bialk
Melissa Bleidorn
Nick Boehlke
Amy Boll
Jeremiah Bradley
Doug Chimenti
Mackenzie Haase
Mike Homme
William Jones
Matthew Joynt
Curt Kleppin
Christy Knowles
Andy LaFond
Colleen Landisch-Hansen
Rick Lemke
Kristen Lundeen
Dale Mayr
Van Mobley
Chas Neman
Andy Nerbun
Carl Peluso
Mark Riley
John Rosing
Brian Sajdak
Kathleen Schneider
Justin Schoenemann
Lindsay Scholz
Jason Staszko
Lynn Streeter
Steven Taylor
Kim Tollefson
Jeff Vahsholtz
John Wirth

Appendix C

Southern Ozaukee Fire and Emergency Services Department (SOFD) Strategic Planning Agenda May 1-2, 2025

Objectives:

- We will develop a shared understanding of our current state, as well as community and industry changes which will affect service delivery
- We will validate our mission and vision for the future
- We will develop a five-year strategic plan which addresses the key priorities of the SOFD
- We will ensure that our strategic plan aligns with the strategic priorities of the municipalities we serve

Day 1

Welcome, Opening Reflection and Overview

Mequon Mayor *Andrew Nerbun* & Thiensville President *John Rosing*

Trends, Challenges and Priorities of our Community

Mequon Administrator *Will Jones* & Thiensville Administrator *Colleen Landisch-Hansen*

SOFD Current Capabilities and Future Trends

Chief *David Bialk*, Battalion Chief *Amy Boll*, Battalion Chief *Rick Lemke*

Assignment 1: Synthesize Our Learning, Our Opportunities

Assignment 2: Designing Our Future State

Day One Closing Remarks

Reception

Day 2

Hot Breakfast Buffet

Opening Discussion

Assignment 3: Identification of Strategic Priorities and Initiatives

Assignment 4: Defining Success: what, how and when

Retreat Conclusion & Thank You

Andrew Nerbun



Southern Ozaukee Fire and
Emergency Medical Services Department
11300 N. Buntrock Avenue
Mequon, WI 53092
(262) 242-2530
(262) 242-5042 Fax

TO: SOFD Board
FROM: Fire Chief David L Bialk
DATE: July 9, 2025
SUBJECT: Ladder Truck Sale Update

Background

The Southern Ozaukee Fire Department (SOFD) currently operates two ladder trucks. Prior to the merger of the Mequon and Thiensville fire departments, Mequon maintained two ladder trucks and Thiensville operated one. Following the merger, one ladder truck was sold, reducing the fleet; at the March SOFD Board meeting, the Board approved the sale of one of the remaining ladder trucks as part of an effort to right-size and streamline the department's fleet.

Analysis

Staff has engaged with the largest fire apparatus broker in the United States regarding the sale of the department's ladder truck. The broker presented two options: an outright purchase of the vehicle for \$273,000, or a consignment arrangement in which the broker would market and sell the truck on behalf of the Southern Ozaukee Fire Department (SOFD) in an effort to secure a potentially higher return.

Under the consignment model, the broker would charge a 7% commission on any sale amount up to \$350,000, and a 5% commission on any portion of the sale above that threshold.

The ladder truck was officially listed for sale on June 13, 2025, for \$375,000. Since then, the listing has generated several inquiries regarding the truck's availability with representatives from one fire department in Pennsylvania traveling to inspect the apparatus in person.

Fiscal Impact

None (currently)

Recommendation

None

Fire Chief David L Bialk

David L Bialk

Southern Ozaukee Fire Department



Southern Ozaukee Fire and
Emergency Medical Services Department
11300 N. Buntrock Avenue
Mequon, WI 53092
(262) 242-2530
(262) 242-5042 Fax

TO: SOFD Board
FROM: Deputy Chief Nicholas Boehlke
DATE: July 9, 2025
SUBJECT: Community Paramedic Pilot Program

Background

The Southern Ozaukee Fire Department (SOFD) is proposing a pilot Community Paramedic Program aimed at addressing gaps in preventive and reactive healthcare. The program will focus on providing in-home, follow-up care for at-risk community members who require additional medical attention. Targeted individuals include those with chronic conditions, frequent falls, or those needing post-discharge evaluations. The program aims to improve patient outcomes, enhance continuity of care, and strengthen the relationship between community members and EMS providers.

Analysis

The Community Paramedic Program will leverage EMS providers to identify individuals who would benefit from follow-up visits. These visits will focus on improving health outcomes and reducing health risks, while also connecting community members with relevant resources to maintain autonomy and independence. The program will deliver in-home assessments, health education, and medical support, with initial visits lasting approximately 30-45 minutes and follow-up visits lasting 20 minutes or less.

The program's success will be evaluated through patient feedback, changes in health status, and tracking data on readmission rates to hospitals. Additionally, the program aims to establish SOFD as a key player in community health outreach, which could build stronger community trust and improve overall health management.

Fiscal Impact

The pilot program is expected to cost \$5,000, covering staffing, assessment tools, transportation, and educational materials. Funding will initially come from philanthropic sources such as the Lion's Club and Rotary Club. Long-term sustainability would require incorporation into the SOFD operating budget. Given its potential to reduce hospital readmissions and improve health outcomes, the program offers a low-cost, high-impact solution with potential long-term savings for the broader healthcare system.

Recommendation

It is recommended that SOFD proceed with pre-implementation planning for a Community Paramedic Program pilot.

Deputy Chief Nicholas Boehlke

Nicholas Boehlke

Southern Ozaukee Fire Department