

# City of Lathrup Village, Michigan

Audit Presentation for the Year Ended June 30, 2024

Presented by: Tyler P. Baker, CPA, Senior Manager



**Independent Auditor's Report**



**Governmental Fund  
Financial Statements**



**Supplementary Information  
to Financial Statements**



**Independent Auditor's Report  
on Internal Control**



**Upcoming Accounting  
Pronouncements**



# Presentation Overview





# Independent Auditor's Report

Pages 1-3

# Opinions

- Unmodified ✓
  - Qualified
  - Adverse
- or -
- Disclaimer

# Responsibilities of Management for the Financial Statements

- The financial statements are yours, not ours
- Management is responsible for the preparation and fair presentation
- Management is also responsible for internal control

# Auditor's Responsibilities for the Audit of the Financial Statements

- Obtain *reasonable* assurance
- Financial statements are free from *material* misstatement, whether due to fraud or error
- Issue an auditor's report



# Governmental Fund Financial Statements

Pages 15-18

# Governmental Funds Balance Sheet

## Snapshot



**As of June 30, 2024**

- Assets
- Liabilities
- Deferred Inflows
- Fund Balance

## Governmental Fund Balance



**Total Fund Balance**

- \$2,053,146

## Fund Balance Classifications



**Five Possible Classifications**

- Nonspendable
- Restricted
- Committed
- Assigned
- Unassigned

## Unrestricted Fund Balance



**Assigned + Unassigned**

- Assigned fund balance = \$17,293
- Unassigned fund balance = \$566,292

## Unrestricted Fund Balance/Expenditures



**1 Month of Operations**

- $\$566,292 / \$6,900,094 = 8.2\%$
- Government Finance Officers Association recommends maintaining a minimum fund balance in the General Fund equal to 2 months of normal operations
- 2/12 ~ 17%

# Statement of Revenues, Expenditures, and Changes in Fund Balances

## General Fund

Total Revenues = \$5,203,545

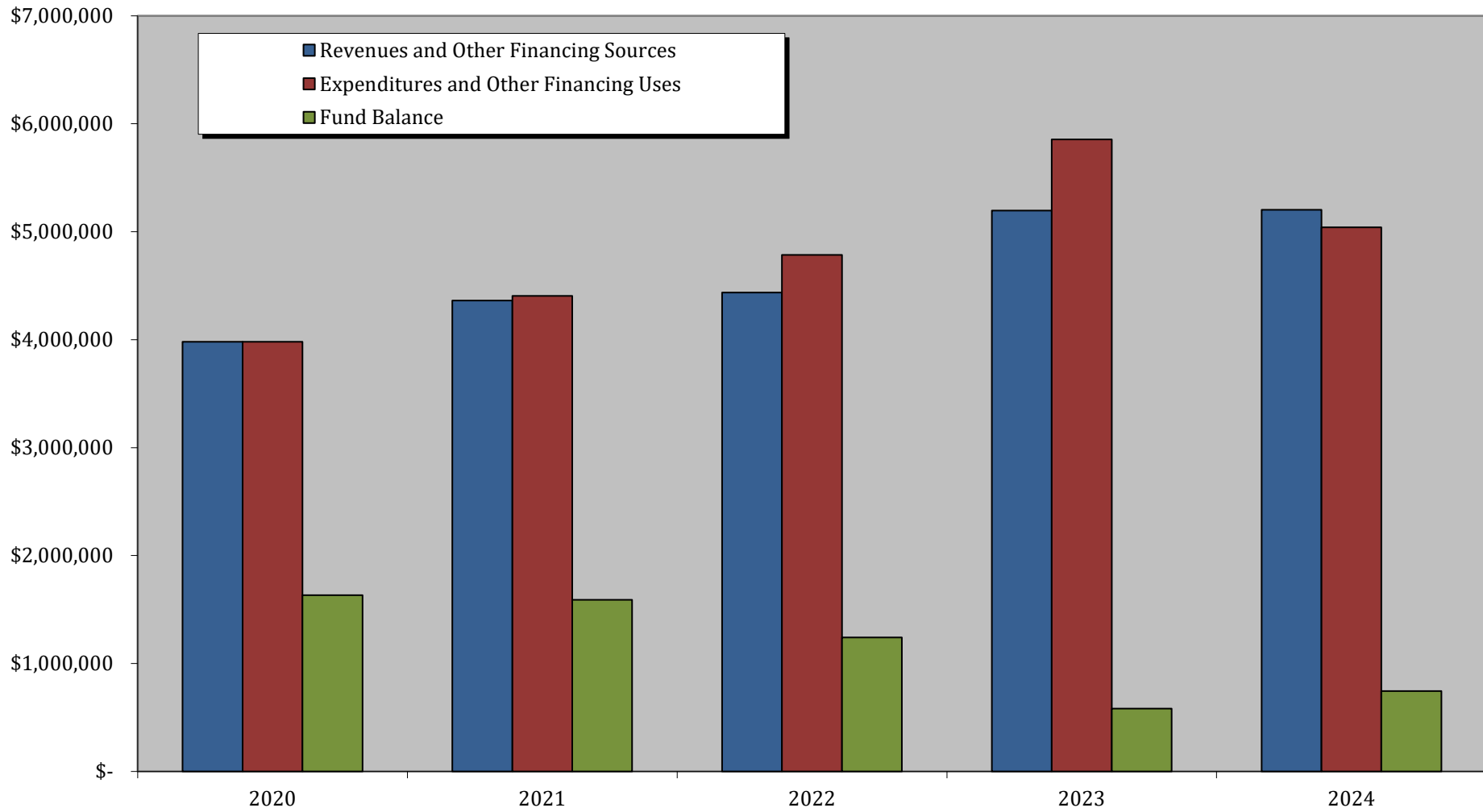
Expenditures = \$5,041,529

Other Financing Sources (Uses) = \$299

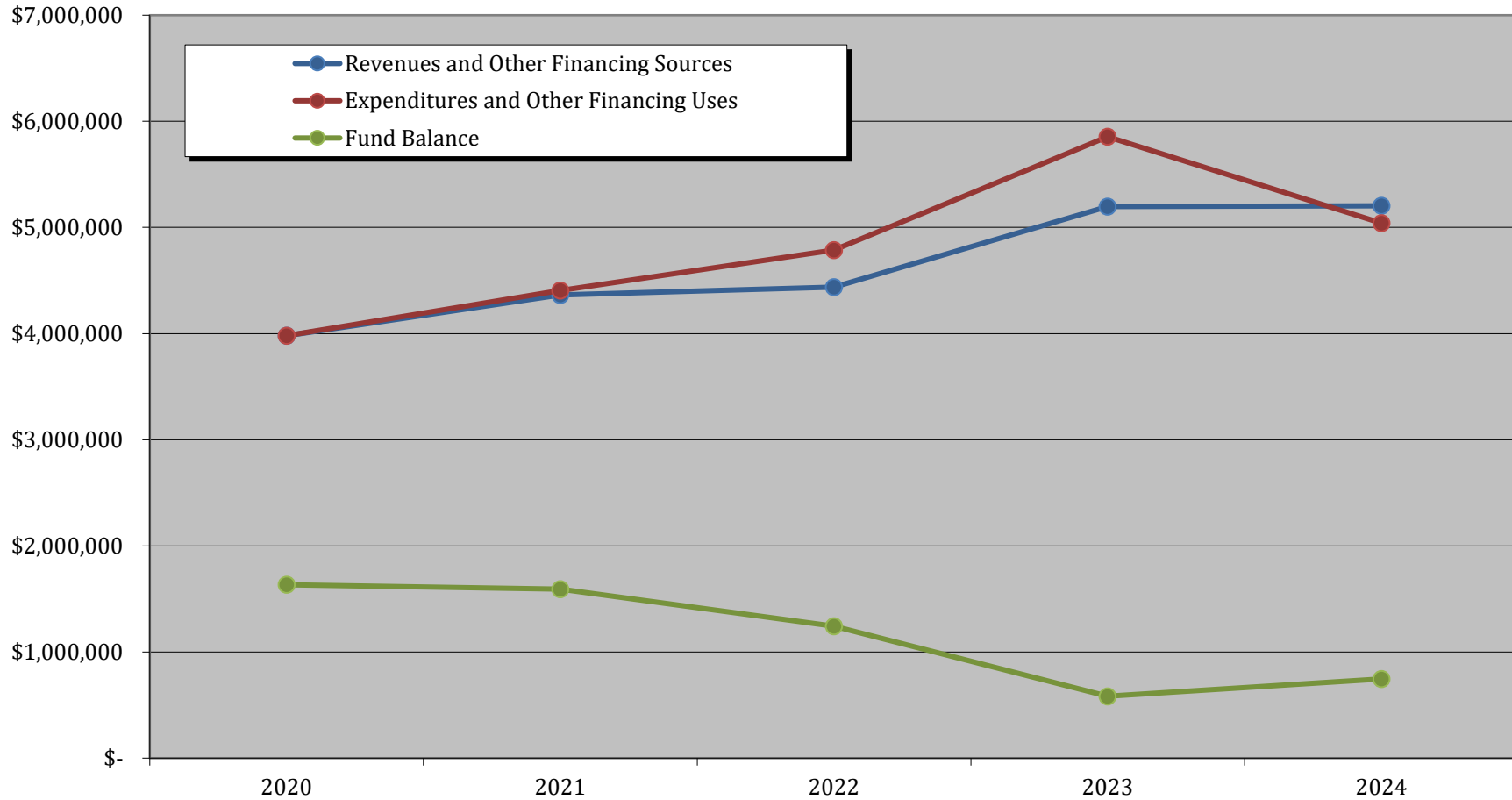
Net Change in Fund Balance = \$162,315



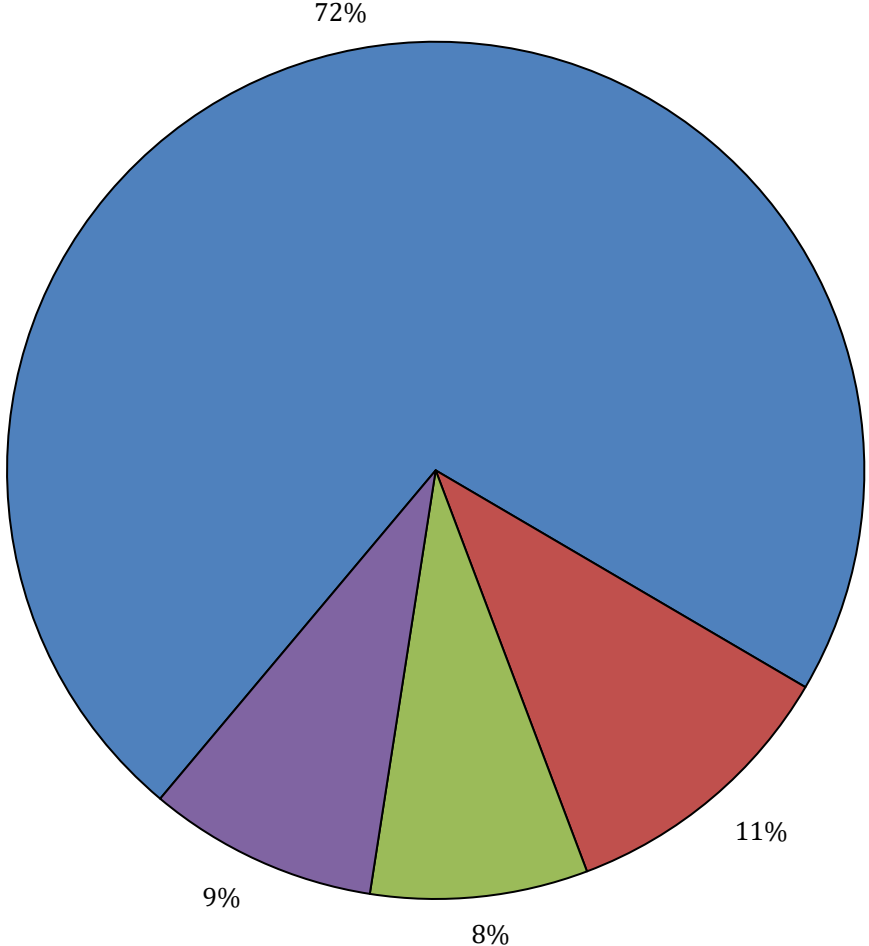
**City of Lathrup Village  
General Fund  
Revenues, Expenditures, and Fund Balance**



### City of Lathrup Village General Fund Fund Balance Trends

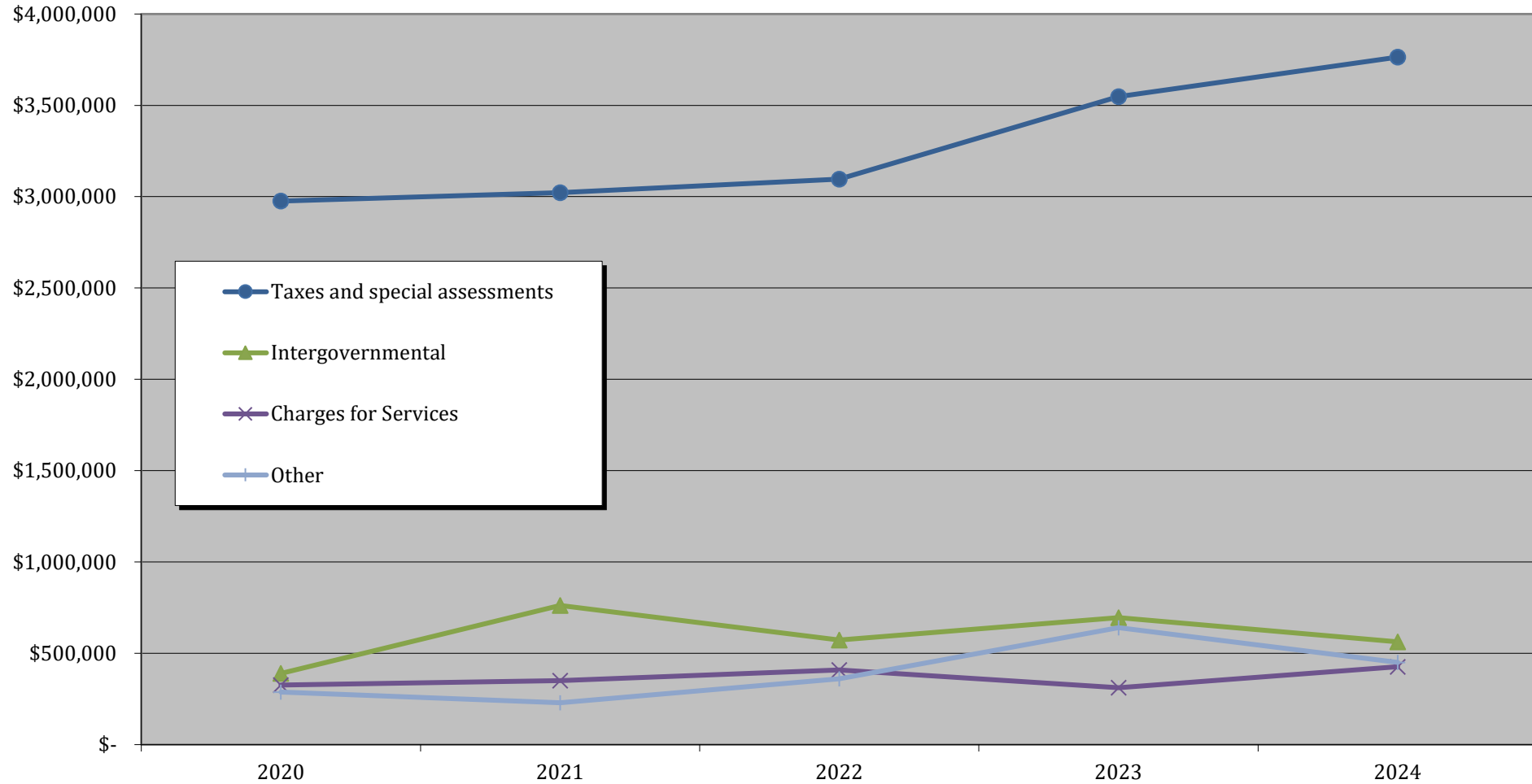


**City of Lathrup Village  
General Fund Revenues and Other Financing Sources  
2024**

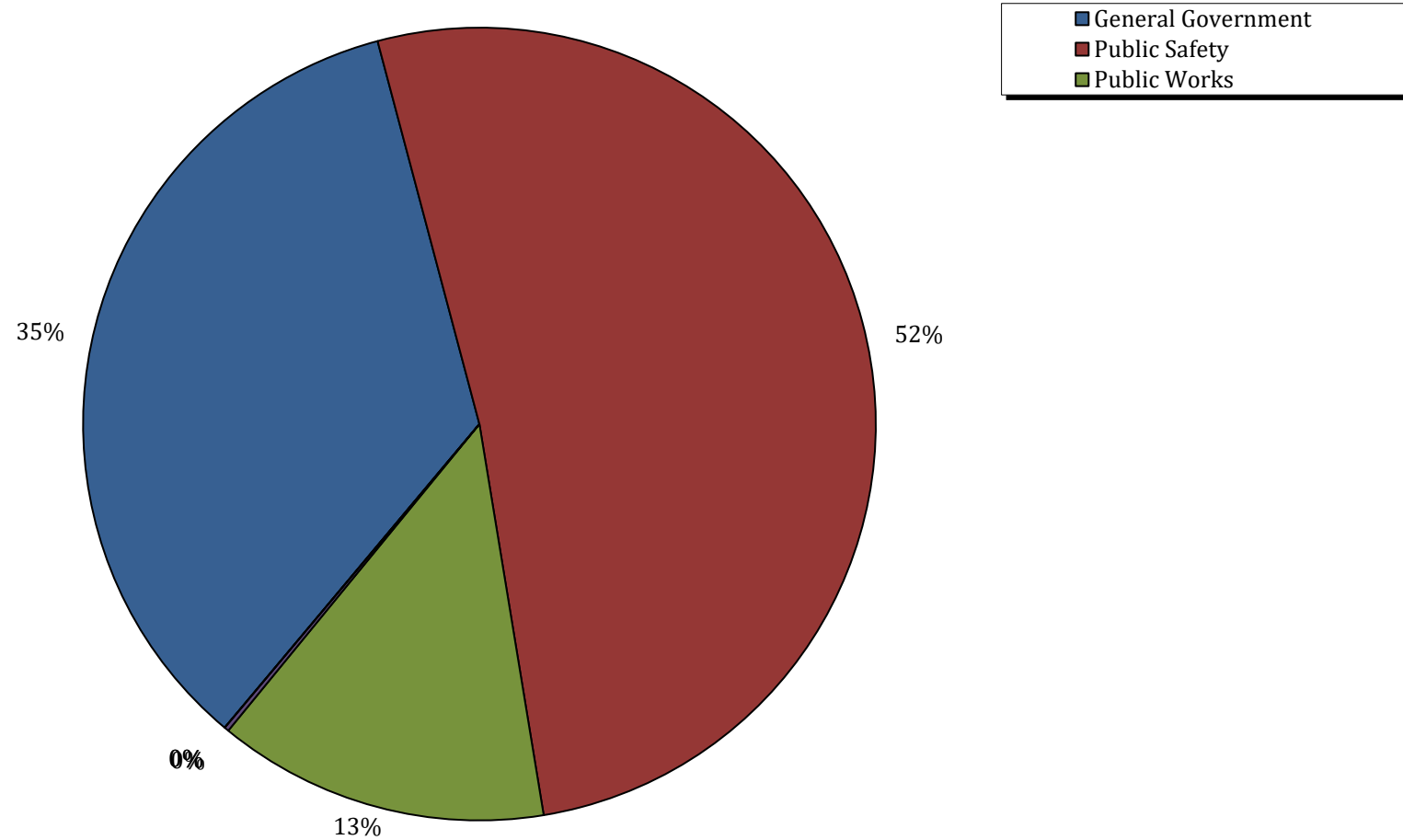


- Taxes and special assessments
- Intergovernmental
- Charges for Services
- Other

### City of Lathrup Village General Fund Revenues and Other Financing Sources Trends

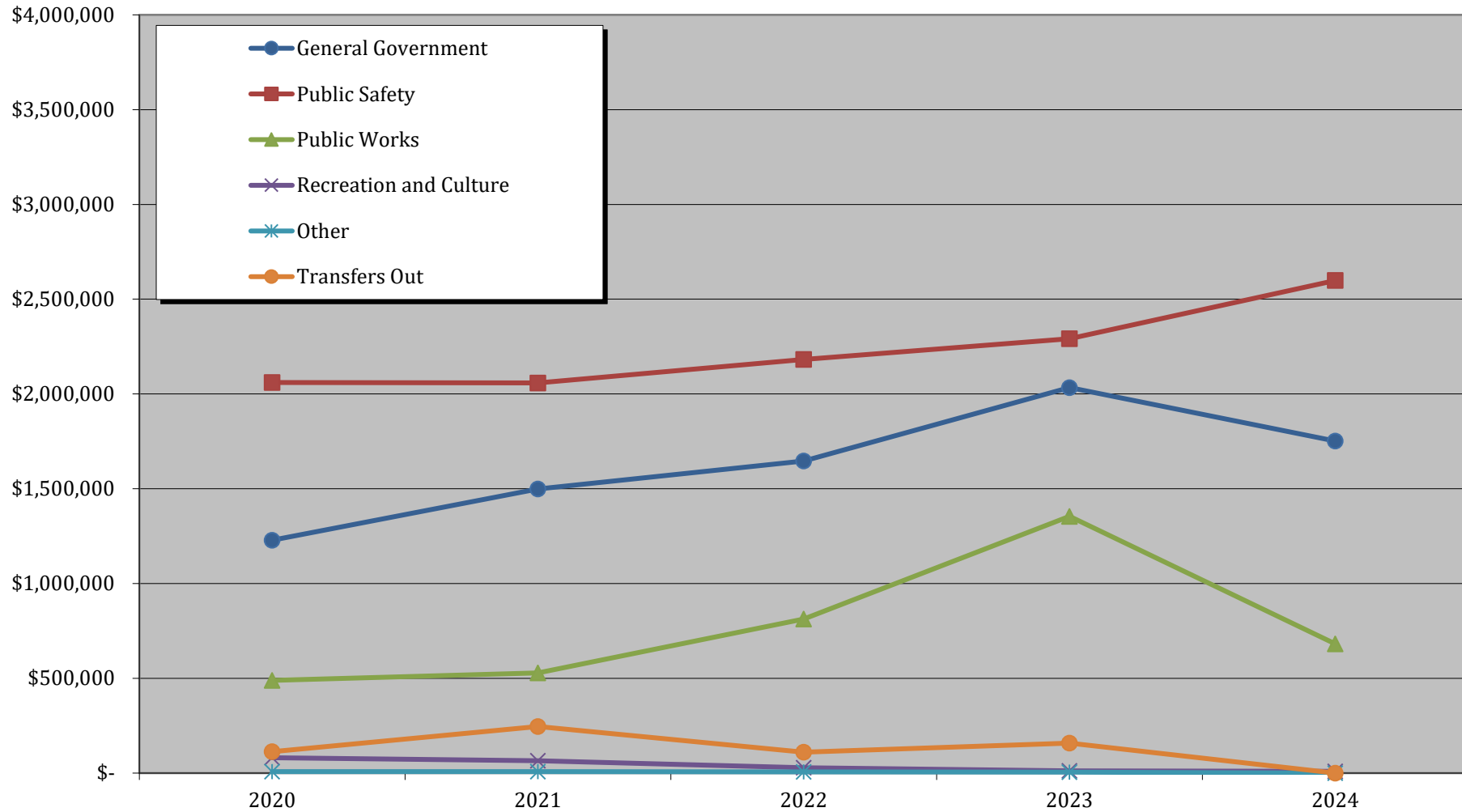


**City of Lathrup Village  
General Fund Expenditures and Other Financing Uses  
2024**

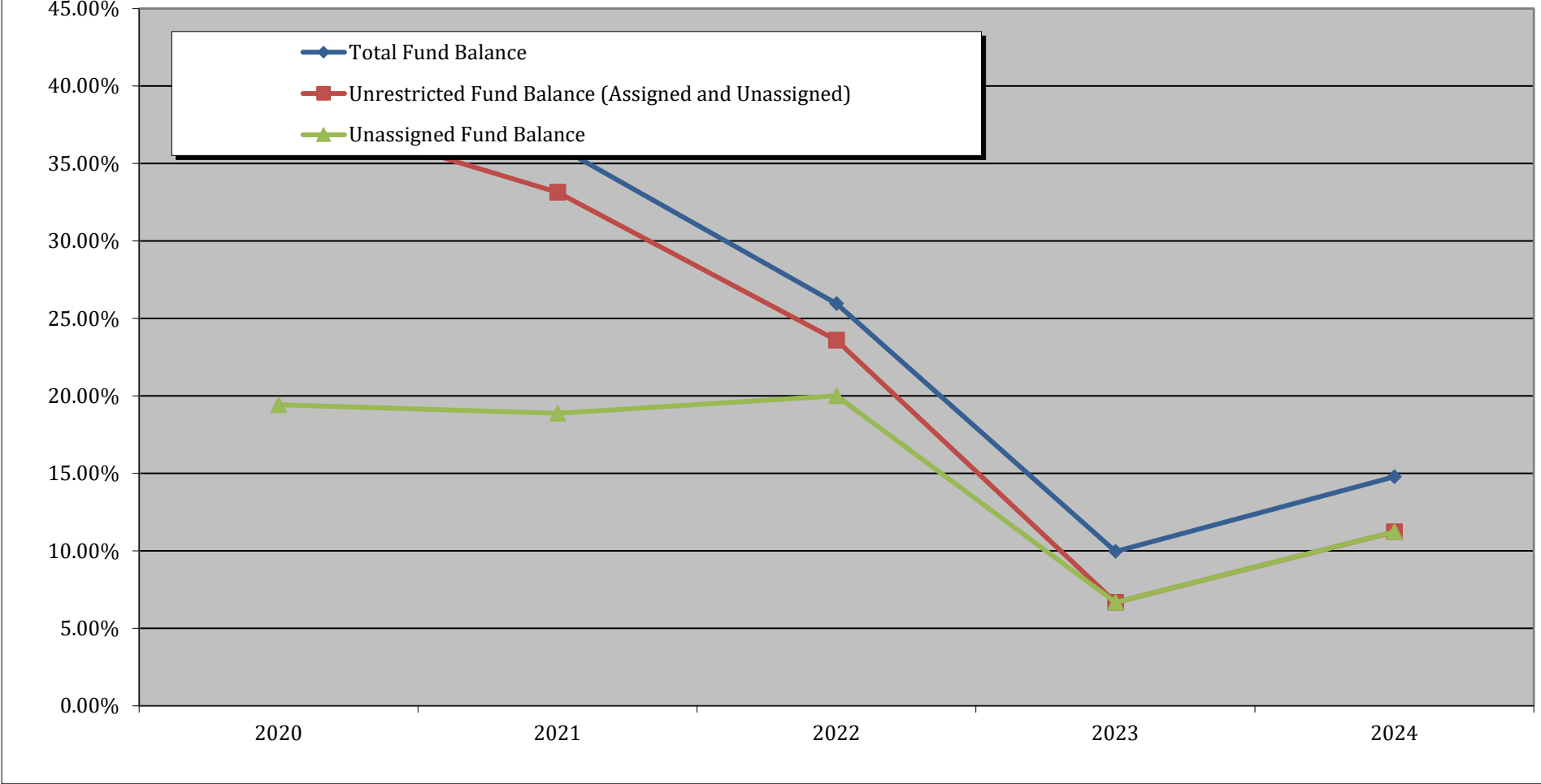




### City of Lathrup Village General Fund Expenditures and Other Financing Uses Trends



**City of Lathrup Village  
General Fund  
Fund Balance as a Percentage of Expenditures and Other Financing Uses**



# Proprietary Funds – Statement of Revenues, Expenses, and Changes in Net Position

## Water and Sewer Fund

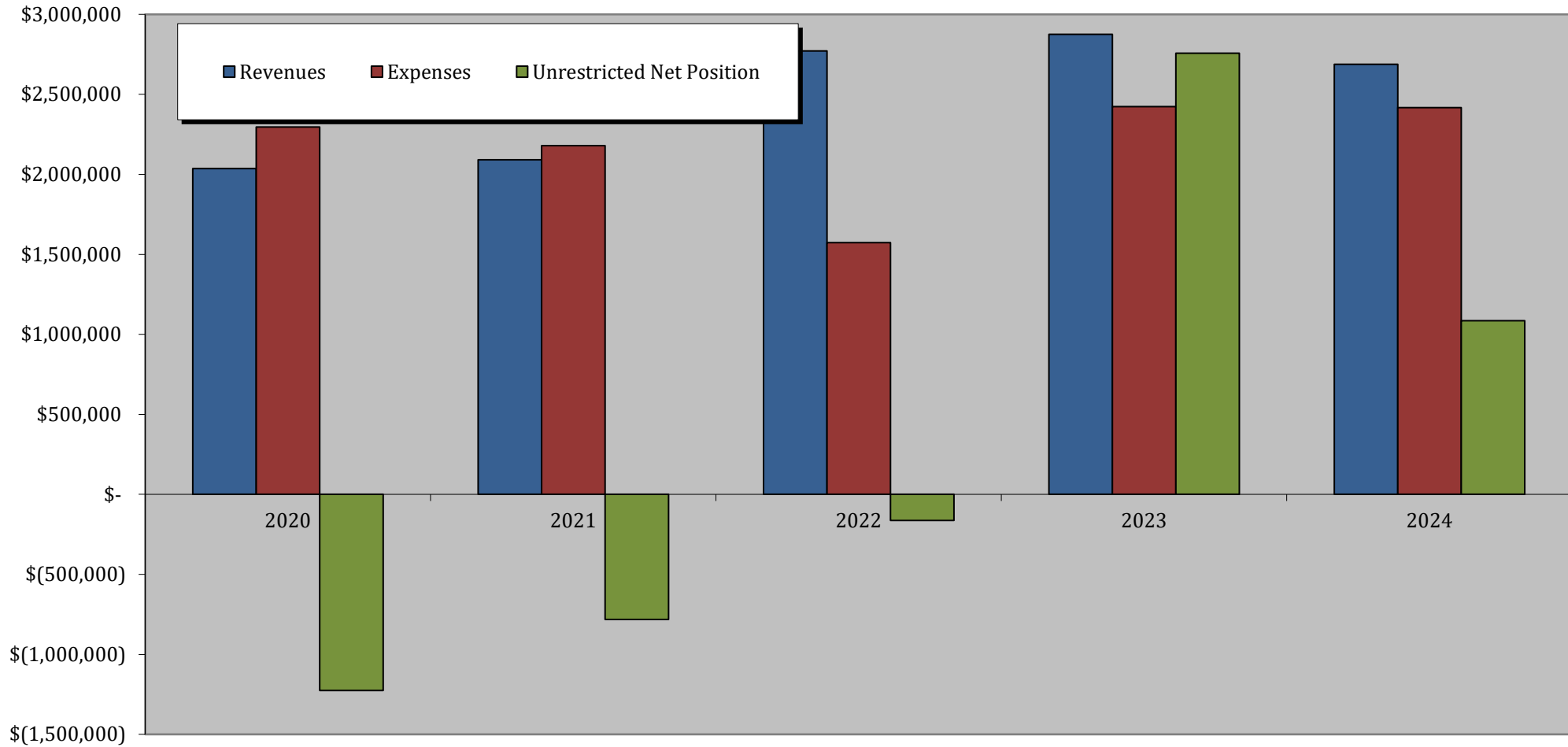
Total Operating Revenues = \$2,279,405

Total Operating Expenses = \$2,277,057

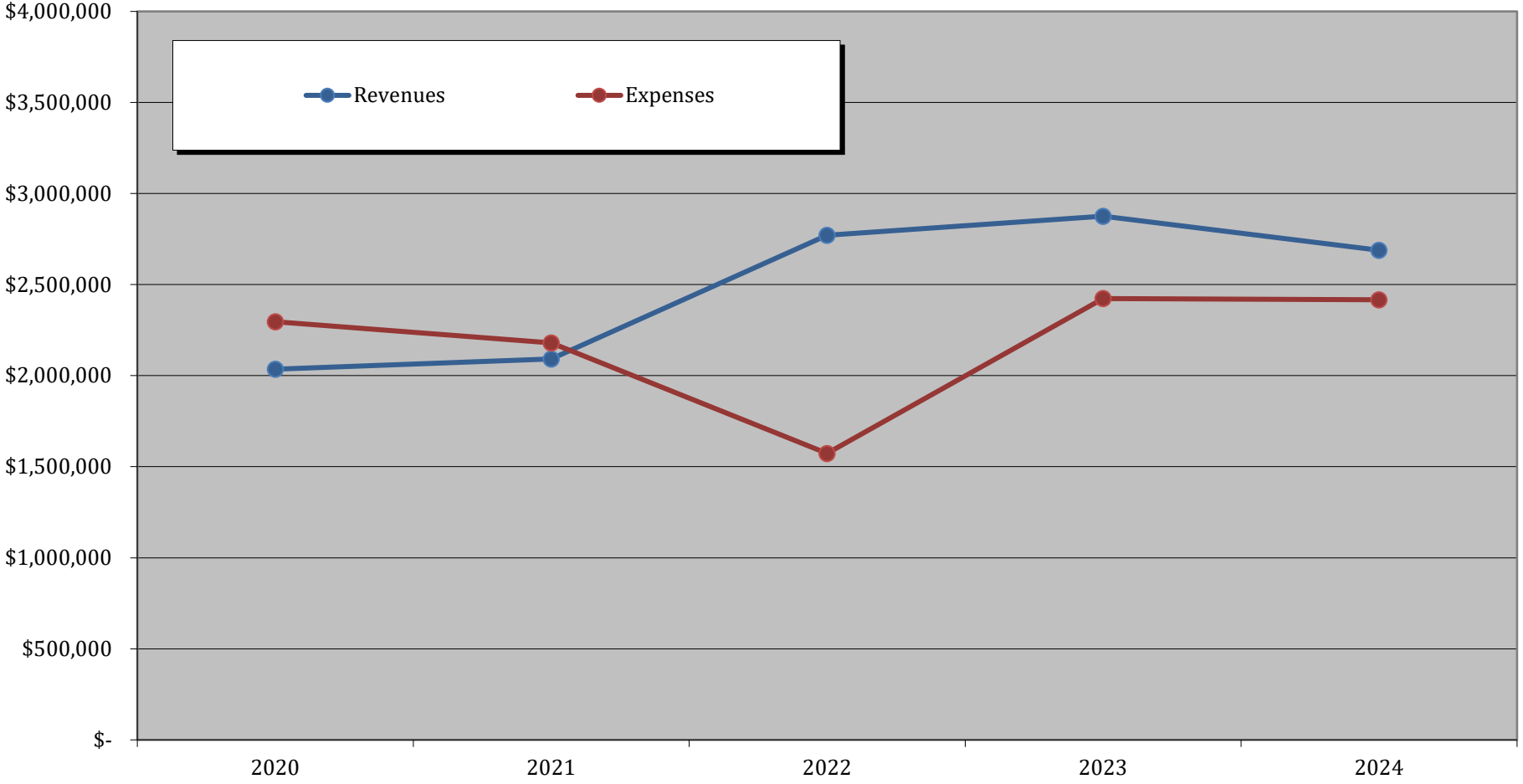
Nonoperating Revenues (Expenses) = \$268,647

Net Change in Net Position = \$270,995

**City of Lathrup Village  
Water and Sewer Fund  
Revenues, Expenses, and Unrestricted Net Position**



### City of Lathrup Village Water and Sewer Fund Net Position Trends







# Upcoming Accounting Standards

Pages 54-55

# Note 14

**The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.**

*GASB 101 –  
Compensated  
Absences*

*GASB 102 –  
Certain Risk  
Disclosures*

*GASB 103 –  
Financial  
Reporting Model  
Improvements*

*GASB 104 –  
Disclosure of  
Certain Capital  
Assets*

# Pension

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
<b>Changes in Total Pension Liability</b>										
Service cost	\$ 33,370	\$ 58,960	\$ 56,707	\$ 58,205	\$ 59,127	\$ 61,401	\$ 65,460	\$ 82,950	\$ 84,814	\$ 102,340
Interest	627,904	610,178	615,604	610,908	623,086	623,735	637,504	612,822	588,230	576,312
Difference between expected and actual experience	19,035	272,856	22,665	(263,611)	(83,540)	(73,176)	(211,835)	252,035	29,891	-
Changes of assumptions	55,168	-	270,517	267,386	264,344	-	-	-	377,460	-
Benefit payments including employee refunds	(684,942)	(684,405)	(616,440)	(604,252)	(621,481)	(616,381)	(612,152)	(554,952)	(543,571)	(507,237)
Other	-	-	-	-	-	-	(93,953)	-	-	-
<b>Net Change in Total Pension Liability</b>	<b>50,535</b>	<b>257,589</b>	<b>349,053</b>	<b>68,636</b>	<b>241,536</b>	<b>(4,421)</b>	<b>(214,976)</b>	<b>392,855</b>	<b>536,824</b>	<b>171,415</b>
<b>Total Pension Liability, beginning</b>	<b>8,986,549</b>	<b>8,728,960</b>	<b>8,379,907</b>	<b>8,311,271</b>	<b>8,069,735</b>	<b>8,074,156</b>	<b>8,289,132</b>	<b>7,896,277</b>	<b>7,359,453</b>	<b>7,188,038</b>
<b>Total Pension Liability, ending</b>	<b>\$ 9,037,084</b>	<b>\$ 8,986,549</b>	<b>\$ 8,728,960</b>	<b>\$ 8,379,907</b>	<b>\$ 8,311,271</b>	<b>\$ 8,069,735</b>	<b>\$ 8,074,156</b>	<b>\$ 8,289,132</b>	<b>\$ 7,896,277</b>	<b>\$ 7,359,453</b>
<b>Changes in Plan Fiduciary Net Position</b>										
Contributions - employer	292,272	\$ 294,918	\$ 258,690	\$ 211,512	\$ 199,230	\$ 157,170	\$ 100,914	\$ 74,706	\$ 64,182	\$ 53,795
Contributions - employee	22,442	26,948	28,427	29,489	30,089	31,517	38,023	135,489	49,191	61,176
Net investment income (loss)	677,538	(802,841)	891,818	846,102	784,097	(244,887)	809,627	671,396	(94,420)	409,055
Benefit payments including employee refunds	(684,942)	(684,405)	(616,440)	(604,252)	(621,481)	(616,381)	(612,152)	(554,952)	(543,571)	(507,237)
Administrative expense	(14,097)	(13,156)	(10,587)	(12,378)	(13,498)	(12,458)	(12,866)	(13,283)	(14,080)	(14,945)
Other	-	-	-	-	-	-	(93,953)	-	-	-
<b>Net Change in Plan Fiduciary Net Position</b>	<b>293,213</b>	<b>(1,178,536)</b>	<b>551,908</b>	<b>470,473</b>	<b>378,437</b>	<b>(685,039)</b>	<b>229,593</b>	<b>313,356</b>	<b>(538,698)</b>	<b>1,843</b>
<b>Plan Fiduciary Net Position, beginning</b>	<b>6,124,856</b>	<b>7,303,392</b>	<b>6,751,484</b>	<b>6,281,011</b>	<b>5,902,574</b>	<b>6,587,613</b>	<b>6,358,020</b>	<b>6,044,664</b>	<b>6,583,362</b>	<b>6,581,519</b>
<b>Plan Fiduciary Net Position, ending</b>	<b>\$ 6,418,069</b>	<b>\$ 6,124,856</b>	<b>\$ 7,303,392</b>	<b>\$ 6,751,484</b>	<b>\$ 6,281,011</b>	<b>\$ 5,902,574</b>	<b>\$ 6,587,613</b>	<b>\$ 6,358,020</b>	<b>\$ 6,044,664</b>	<b>\$ 6,583,362</b>
<b>Employer's Net Pension Liability</b>	<b>\$ 2,619,015</b>	<b>\$ 2,861,693</b>	<b>\$ 1,425,568</b>	<b>\$ 1,628,423</b>	<b>\$ 2,030,260</b>	<b>\$ 2,167,161</b>	<b>\$ 1,486,543</b>	<b>\$ 1,931,112</b>	<b>\$ 1,851,613</b>	<b>\$ 776,091</b>
<b>Plan Fiduciary Net Position as a percentage of the Total Pension Liability</b>	<b>71.02%</b>	<b>68.16%</b>	<b>83.67%</b>	<b>80.57%</b>	<b>75.57%</b>	<b>73.14%</b>	<b>81.59%</b>	<b>76.70%</b>	<b>76.55%</b>	<b>89.45%</b>

# OPEB

	2024	2023	2022	2021	2020	2019	2018
<b>Changes in Total OPEB Liability</b>							
Service cost	\$ 5,755	\$ 7,977	\$ 16,282	\$ 80,712	\$ 64,528	\$ 53,004	\$ 58,875
Interest	174,118	183,331	135,804	184,803	205,246	194,817	180,037
Difference between actual and expected experience	(213,636)	(9,780)	(141,665)	(48,359)	123,103	-	-
Change in Assumptions	(378,728)	(339,497)	(2,809,918)	(299,252)	688,405	307,745	(280,471)
Benefit payments including employee refunds	(162,573)	(189,703)	(161,023)	(136,024)	(147,716)	(167,338)	(177,091)
<b>Net Change in Total OPEB Liability</b>	<b>(575,064)</b>	<b>(347,672)</b>	<b>(2,960,520)</b>	<b>(218,120)</b>	<b>933,566</b>	<b>388,228</b>	<b>(218,650)</b>
<b>Total OPEB Liability - beginning</b>	<b>3,473,025</b>	<b>3,820,697</b>	<b>6,781,217</b>	<b>6,999,337</b>	<b>6,065,771</b>	<b>5,677,543</b>	<b>5,896,193</b>
<b>Total OPEB Liability - ending</b>	<b>\$ 2,897,961</b>	<b>\$ 3,473,025</b>	<b>\$ 3,820,697</b>	<b>\$ 6,781,217</b>	<b>\$ 6,999,337</b>	<b>\$ 6,065,771</b>	<b>\$ 5,677,543</b>
<b>Changes in Plan Fiduciary Net Position</b>							
Contributions-employer	\$ 212,573	\$ 239,703	\$ 311,023	\$ 336,024	\$ -	\$ -	\$ -
Net investment income	42,312	25,334	(26,190)	13,080	-	-	-
Benefit payments including employee refunds	(162,573)	(189,703)	(161,023)	(136,024)	-	-	-
Administrative expense	(904)	(637)	(469)	(101)	-	-	-
<b>Net Change in Plan Fiduciary Net Position</b>	<b>91,408</b>	<b>74,697</b>	<b>123,341</b>	<b>212,979</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Plan Fiduciary Net Position - beginning</b>	<b>411,017</b>	<b>336,320</b>	<b>212,979</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Plan Fiduciary Net Position - ending</b>	<b>\$ 502,425</b>	<b>\$ 411,017</b>	<b>\$ 336,320</b>	<b>\$ 212,979</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Employer's Net OPEB Liability</b>	<b>\$ 2,395,536</b>	<b>\$ 3,062,008</b>	<b>\$ 3,484,377</b>	<b>\$ 6,568,238</b>	<b>\$ 6,999,337</b>	<b>\$ 6,065,771</b>	<b>\$ 5,677,543</b>
<b>Plan Fiduciary Net Position as a percentage of the Total OPEB Liability</b>	<b>17.34%</b>	<b>11.83%</b>	<b>8.80%</b>	<b>3.14%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>

# Findings – Management Letter

**Prior Year** – 13 findings in the previous year

**Current Year Findings** – 5 in current year

- Bank Reconciliation Review and Segregation of Duties
- Check Register Sequence
- Credit Card Documentation
- Retiree Personnel Files
- Disaster Recovery Plan





# Thank You for the Opportunity to Provide Services for City of Lathrup Village!

Tyler P. Baker, CPA  
Senior Manager

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