



City of Lathrup Village, Michigan

Audit Presentation for the Year Ended June 30, 2025

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



Independent Auditor's Report



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	Governmental Fund Balance	Fund Balance Classifications	Unrestricted Fund Balance	Fund Balance/ Expenditures
 As of June 30, 2025 <ul style="list-style-type: none">• Assets• Liabilities• Deferred Inflows• Fund Balance	 Total Fund Balance <ul style="list-style-type: none">• \$2,700,537	 Five Possible Classifications <ul style="list-style-type: none">• Nonspendable• Restricted• Committed• Assigned• Unassigned	 Assigned + Unassigned <ul style="list-style-type: none">• Assigned fund balance = None in current year• Unassigned fund balance = \$603,068	 1.25 Month of Operations <ul style="list-style-type: none">• \$603,068/ \$5,781,855 = 10.4%

General Fund

Statement of Revenues, Expenditures, and Changes in Fund Balances

Total Revenues = \$5,082,379



Expenditures = \$4,866,379



Other Financing Sources (Uses) = \$24,854

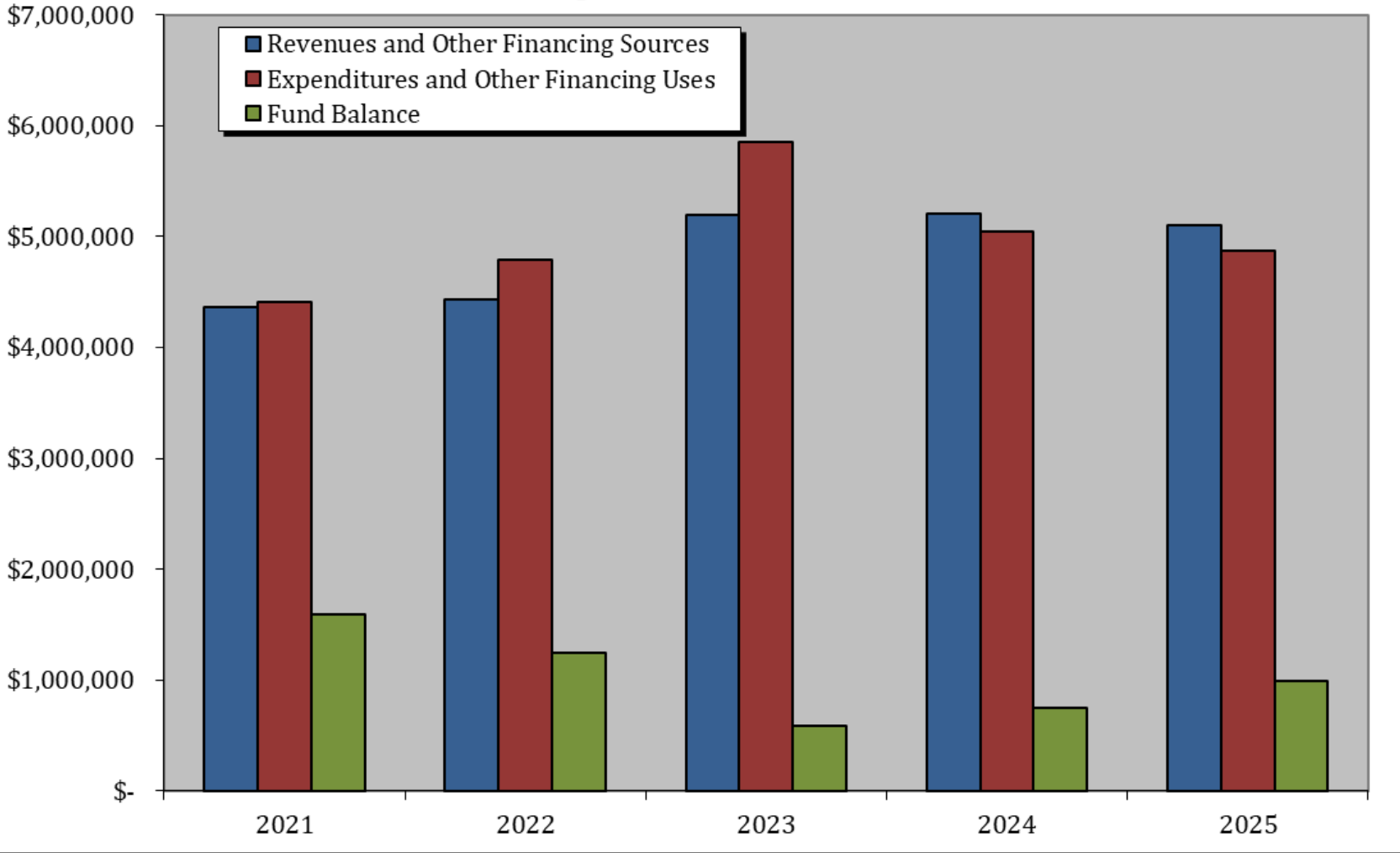


Net Change in Fund Balance = \$240,854

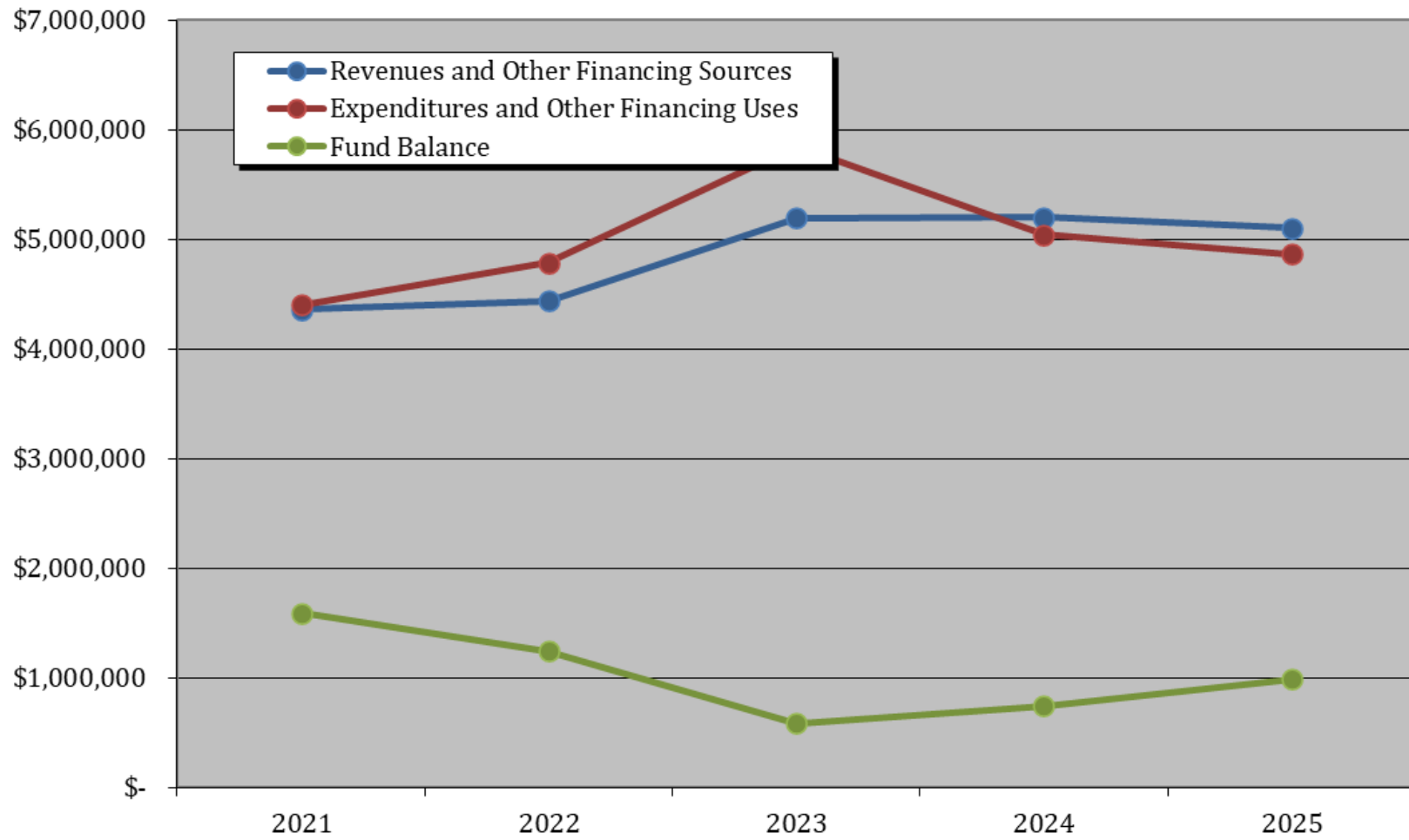


Ending Fund Balance = \$986,456

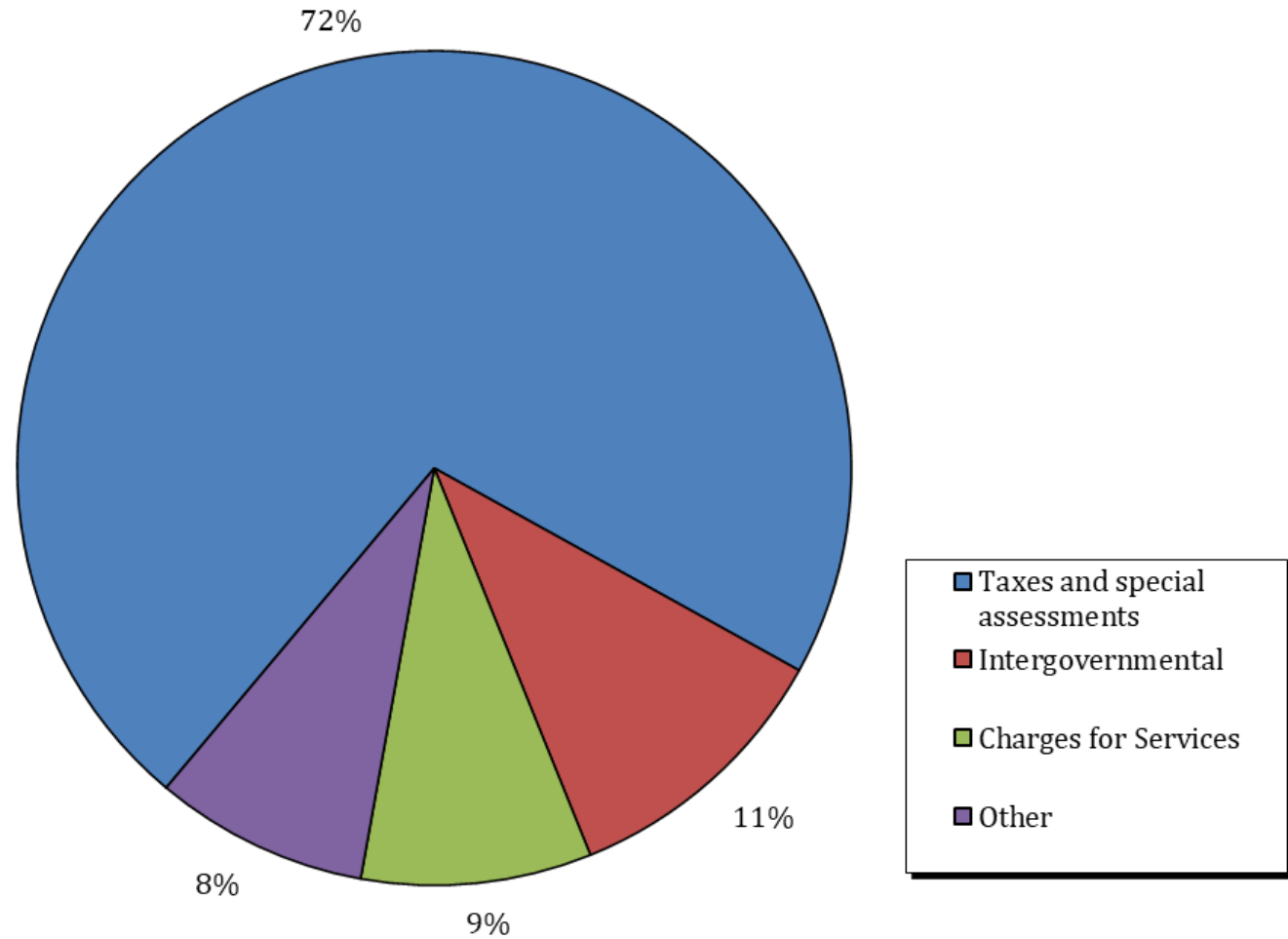
**City of Lathrup Village
General Fund
Revenues, Expenditures, and Fund Balance**



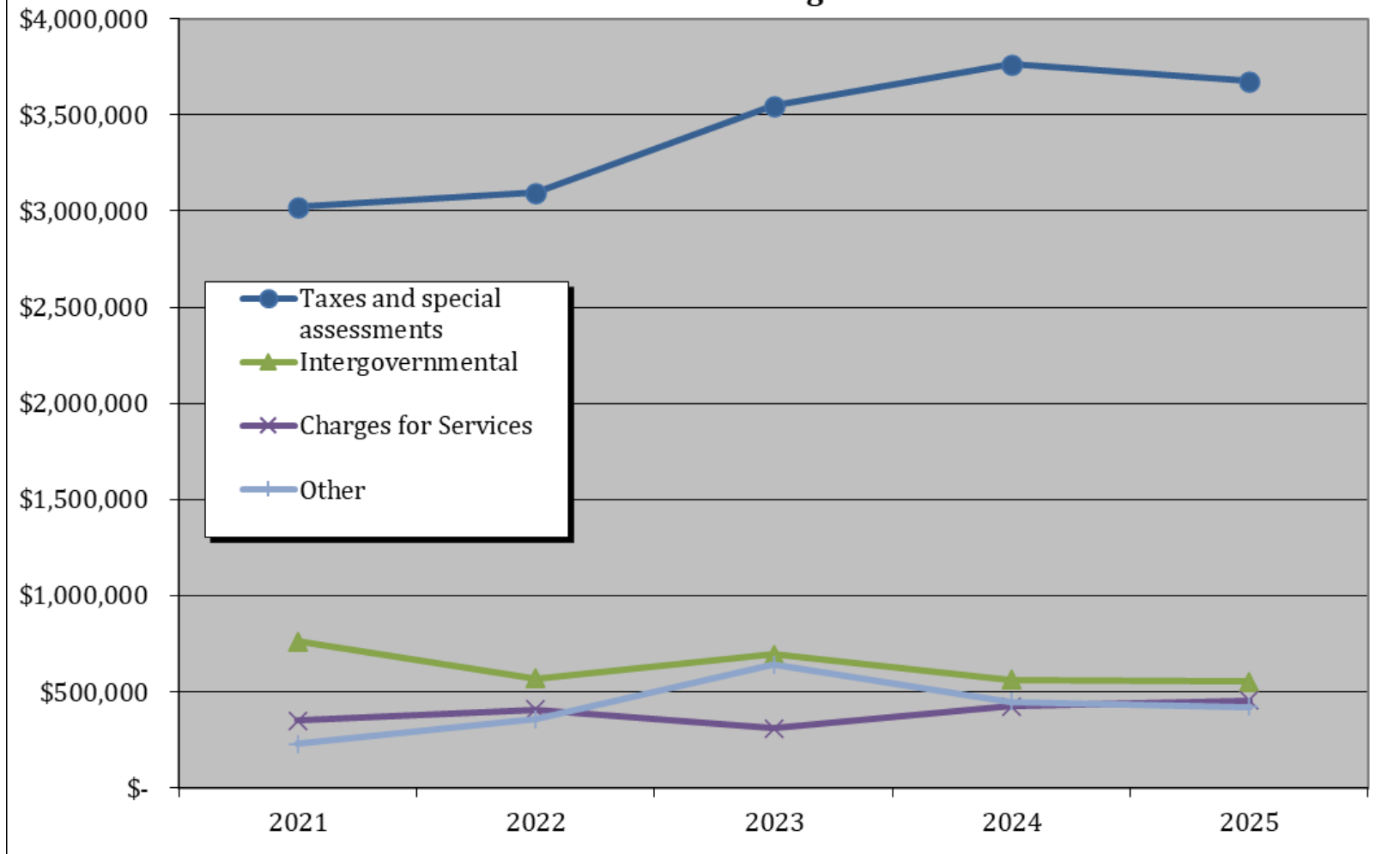
City of Lathrup Village General Fund Fund Balance Trends



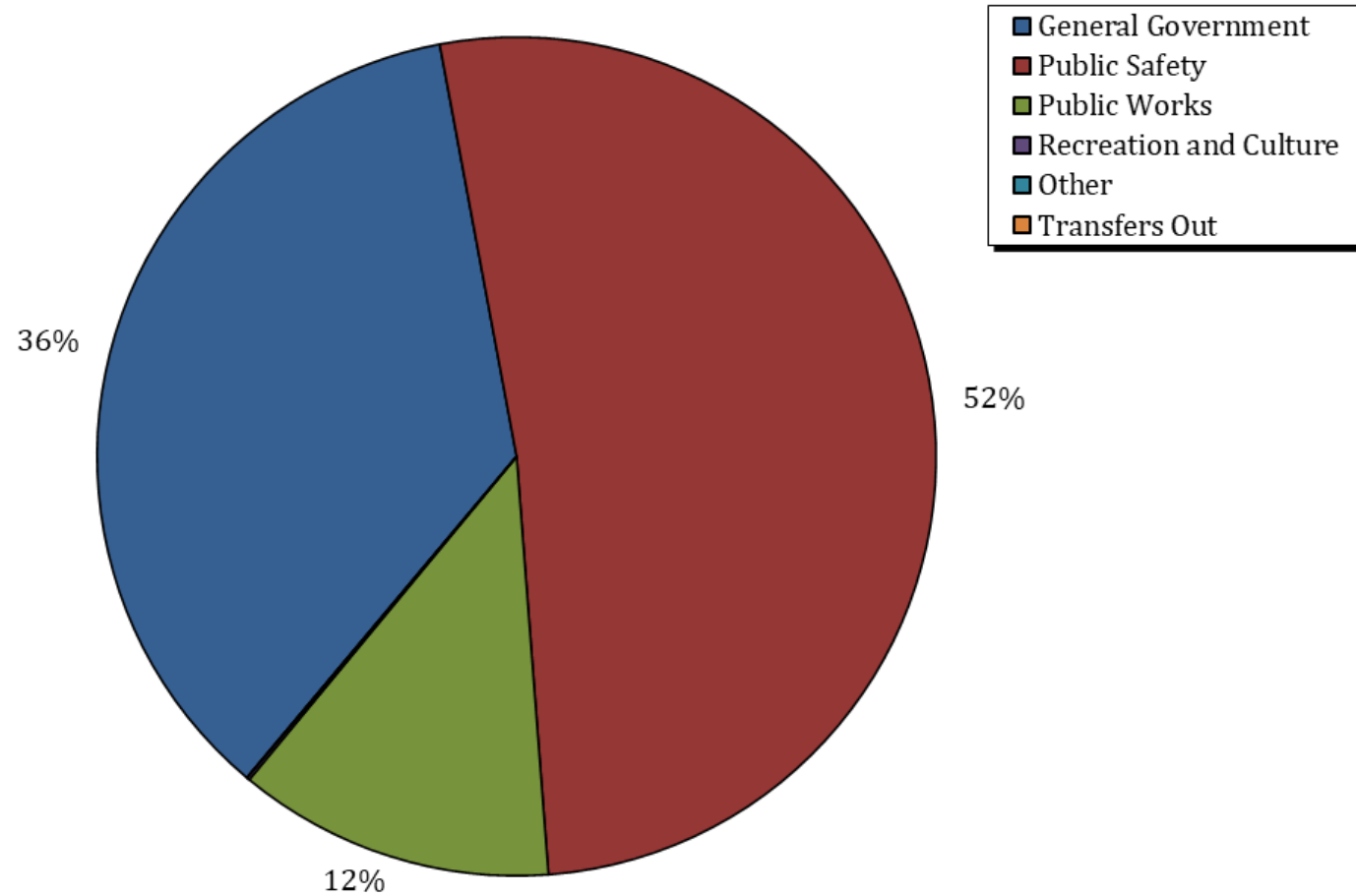
**City of Lathrup Village
General Fund Revenues and Other Financing Sources
2025**



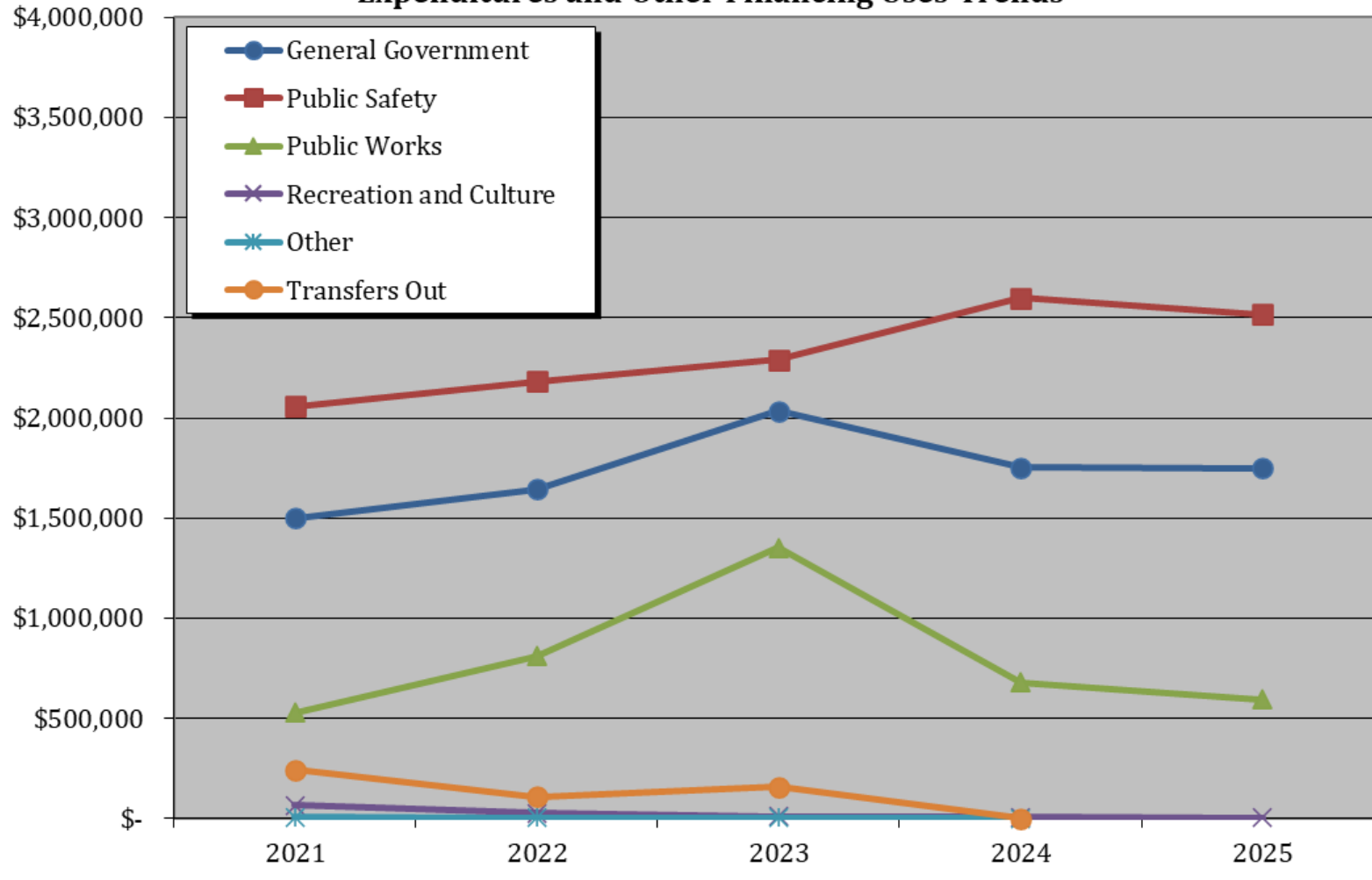
City of Lathrup Village General Fund Revenues and Other Financing Sources Trends



**City of Lathrup Village
General Fund Expenditures and Other Financing Uses
2025**



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



Water and Sewer Fund

Statement of Revenues, Expenses, and Changes in Net Position

Total Operating Revenues = \$2,200,702



Total Operating Expenses = \$2,196,612



Nonoperating Revenues (Expenses) = \$323,216

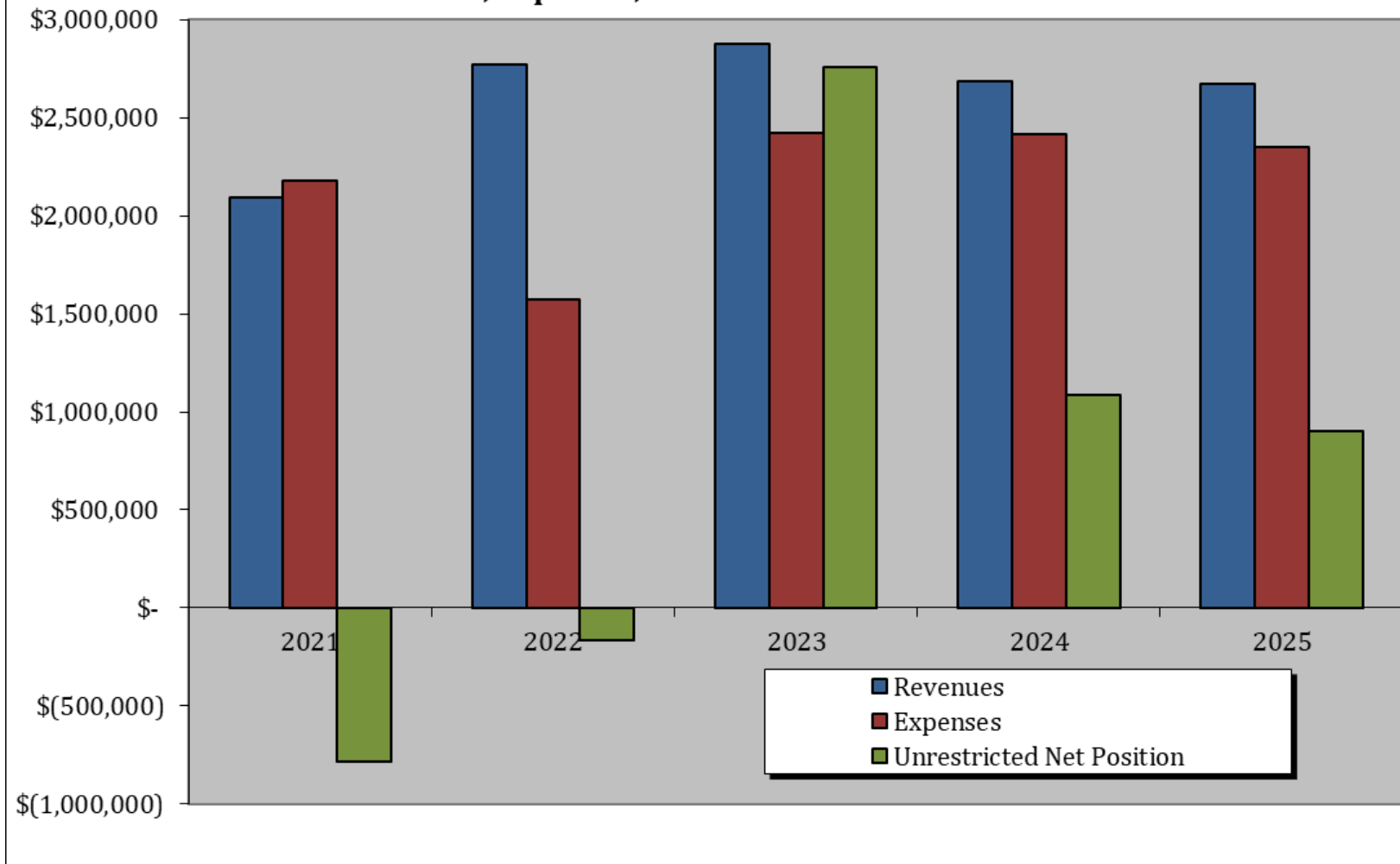


Net Change in Net Position = \$327,306



Ending Total Net Position = \$8,928,146

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





Upcoming Accounting Standards

Pages 55-56

Note 16

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

**GASB 103 –
*Financial
Reporting Model
Improvements***

**GASB 104 –
*Disclosure of
Certain Capital
Assets***

Pension

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Changes in Total Pension Liability										
Service cost	\$ 34,374	\$ 33,370	\$ 58,960	\$ 56,707	\$ 58,205	\$ 59,127	\$ 61,401	\$ 65,460	\$ 82,950	\$ 84,814
Interest	623,164	627,904	610,178	615,604	610,908	623,086	623,735	637,504	612,822	588,230
Difference between expected and actual experience	32,699	19,035	272,856	22,665	(263,611)	(83,540)	(73,176)	(211,835)	252,035	29,891
Changes of assumptions	(19,825)	55,168	-	270,517	267,386	264,344	-	-	-	377,460
Benefit payments including employee refunds	(750,212)	(684,942)	(684,405)	(616,440)	(604,252)	(621,481)	(616,381)	(612,152)	(554,952)	(543,571)
Other	-	-	-	-	-	-	-	(93,953)	-	-
Net Change in Total Pension Liability	(79,800)	50,535	257,589	349,053	68,636	241,536	(4,421)	(214,976)	392,855	536,824
Total Pension Liability, beginning	9,037,084	8,986,549	8,728,960	8,379,907	8,311,271	8,069,735	8,074,156	8,289,132	7,896,277	7,359,453
Total Pension Liability, ending	<u>\$ 8,957,284</u>	<u>\$ 9,037,084</u>	<u>\$ 8,986,549</u>	<u>\$ 8,728,960</u>	<u>\$ 8,379,907</u>	<u>\$ 8,311,271</u>	<u>\$ 8,069,735</u>	<u>\$ 8,074,156</u>	<u>\$ 8,289,132</u>	<u>\$ 7,896,277</u>
Changes in Plan Fiduciary Net Position										
Contributions - employer	312,480	\$ 292,272	\$ 294,918	\$ 258,690	\$ 211,512	\$ 199,230	\$ 157,170	\$ 100,914	\$ 74,706	\$ 64,182
Contributions - employee	18,036	22,442	26,948	28,427	29,489	30,089	31,517	38,023	135,489	49,191
Net investment income (loss)	472,255	677,538	(802,841)	891,818	846,102	784,097	(244,887)	809,627	671,396	(94,420)
Benefit payments including employee refunds	(750,212)	(684,942)	(684,405)	(616,440)	(604,252)	(621,481)	(616,381)	(612,152)	(554,952)	(543,571)
Administrative expense	(13,890)	(14,097)	(13,156)	(10,587)	(12,378)	(13,498)	(12,458)	(12,866)	(13,283)	(14,080)
Other	-	-	-	-	-	-	-	(93,953)	-	-
Net Change in Plan Fiduciary Net Position	38,669	293,213	(1,178,536)	551,908	470,473	378,437	(685,039)	229,593	313,356	(538,698)
Plan Fiduciary Net Position, beginning	6,418,069	6,124,856	7,303,392	6,751,484	6,281,011	5,902,574	6,587,613	6,358,020	6,044,664	6,583,362
Plan Fiduciary Net Position, ending	<u>\$ 6,456,738</u>	<u>\$ 6,418,069</u>	<u>\$ 6,124,856</u>	<u>\$ 7,303,392</u>	<u>\$ 6,751,484</u>	<u>\$ 6,281,011</u>	<u>\$ 5,902,574</u>	<u>\$ 6,587,613</u>	<u>\$ 6,358,020</u>	<u>\$ 6,044,664</u>
Employer's Net Pension Liability	<u>\$ 2,500,546</u>	<u>\$ 2,619,015</u>	<u>\$ 2,861,693</u>	<u>\$ 1,425,568</u>	<u>\$ 1,628,423</u>	<u>\$ 2,030,260</u>	<u>\$ 2,167,161</u>	<u>\$ 1,486,543</u>	<u>\$ 1,931,112</u>	<u>\$ 1,851,613</u>
Plan Fiduciary Net Position as a percentage of the Total Pension Liability	72.08%	71.02%	68.16%	83.67%	80.57%	75.57%	73.14%	81.59%	76.70%	76.55%
Covered Payroll	\$ 229,007	\$ 309,205	\$ 366,011	\$ 385,192	\$ 447,808	\$ 457,801	\$ 477,215	\$ 504,653	\$ 647,096	\$ 723,381
Employer's Net Pension Liability as a percentage of covered payroll	1091.91%	847.02%	781.86%	370.09%	363.64%	443.48%	454.13%	294.57%	298.43%	255.97%

OPEB

	2025	2024	2023	2022	2021	2020	2019	2018
Changes in Total OPEB Liability								
Service cost	\$ 6,035	\$ 5,755	\$ 7,977	\$ 16,282	\$ 80,712	\$ 64,528	\$ 53,004	\$ 58,875
Interest	159,324	174,118	183,331	135,804	184,803	205,246	194,817	180,037
Difference between actual and expected experience	14,829	(213,636)	(9,780)	(141,665)	(48,359)	123,103	-	-
Change in Assumptions	(280,506)	(378,728)	(339,497)	(2,809,918)	(299,252)	688,405	307,745	(280,471)
Benefit payments including employee refunds	(178,199)	(162,573)	(189,703)	(161,023)	(136,024)	(147,716)	(167,338)	(177,091)
Net Change in Total OPEB Liability	(278,517)	(575,064)	(347,672)	(2,960,520)	(218,120)	933,566	388,228	(218,650)
Total OPEB Liability - beginning	2,897,961	3,473,025	3,820,697	6,781,217	6,999,337	6,065,771	5,677,543	5,896,193
Total OPEB Liability - ending	<u>\$ 2,619,444</u>	<u>\$ 2,897,961</u>	<u>\$ 3,473,025</u>	<u>\$ 3,820,697</u>	<u>\$ 6,781,217</u>	<u>\$ 6,999,337</u>	<u>\$ 6,065,771</u>	<u>\$ 5,677,543</u>
Changes in Plan Fiduciary Net Position								
Contributions-employer	\$ 228,199	\$ 212,573	\$ 239,703	\$ 311,023	\$ 336,024	\$ -	\$ -	\$ -
Net investment income	50,323	42,312	25,334	(26,190)	13,080	-	-	-
Benefit payments including employee refunds	(178,199)	(162,573)	(189,703)	(161,023)	(136,024)	-	-	-
Administrative expense	(1,108)	(904)	(637)	(469)	(101)	-	-	-
Net Change in Plan Fiduciary Net Position	99,215	91,408	74,697	123,341	212,979	-	-	-
Plan Fiduciary Net Position - beginning	502,425	411,017	336,320	212,979	-	-	-	-
Plan Fiduciary Net Position - ending	<u>\$ 601,640</u>	<u>\$ 502,425</u>	<u>\$ 411,017</u>	<u>\$ 336,320</u>	<u>\$ 212,979</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Employer's Net OPEB Liability	<u>\$ 2,017,804</u>	<u>\$ 2,395,536</u>	<u>\$ 3,062,008</u>	<u>\$ 3,484,377</u>	<u>\$ 6,568,238</u>	<u>\$ 6,999,337</u>	<u>\$ 6,065,771</u>	<u>\$ 5,677,543</u>
Plan Fiduciary Net Position as a percentage of the Total OPEB Liability	22.97%	17.34%	11.83%	8.80%	3.14%	0.00%	0.00%	0.00%
Covered Payroll	\$ 229,007	\$ 172,200	\$ 204,228	\$ 264,171	\$ 340,772	\$ 340,935	\$ 311,227	\$ 316,913
Employer's Net OPEB Liability as a percentage of covered payroll	881.11%	1391.14%	1499.31%	1318.99%	1927.46%	2052.98%	1948.99%	1791.51%

Findings – Management Letter

Prior Year – 5 findings in the previous year

Current Year Findings – 2 in current year

- Material Journal Entries Proposed by Auditors
- Disaster Recovery Plan



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

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Senior Manager

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