

# CITY OF ROCHESTER HILLS

December 31, 2024





# Meet the People on Your Team

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**Dan Merritt, CPA, MBA, CGFM**

Signing Principal



**Tracey Kendall, CPA**

Senior Manager



**Daniel Clark, CPA**

Relationship Manager

# Audit Opinions and Key Financial Highlights

**1**

**An unmodified opinion was given on the 12/31/2024 financial statements**

**2**

**The City did not require an audit of its Schedule of Expenditures of Federal Awards (SEFA) as it expended less than \$750,000 in federal awards for FY24.**

**3**

**Key financial highlights:**

- Total growth in assets of \$35.4m or 5.8%. Total increase of liabilities of (\$12.3m) or (18%)**
- Property tax revenue increased \$2.1m or 5.2%. Investment income was \$6.6m**
- General fund balance decreased by \$7.4 million in accordance with the City's updated fund balance policy and planned transfers to capital projects funds.**
- The City has continued its significant investments into the Water & Sewer system.**
- No pension liability. OPEB liability is funded at 114%**

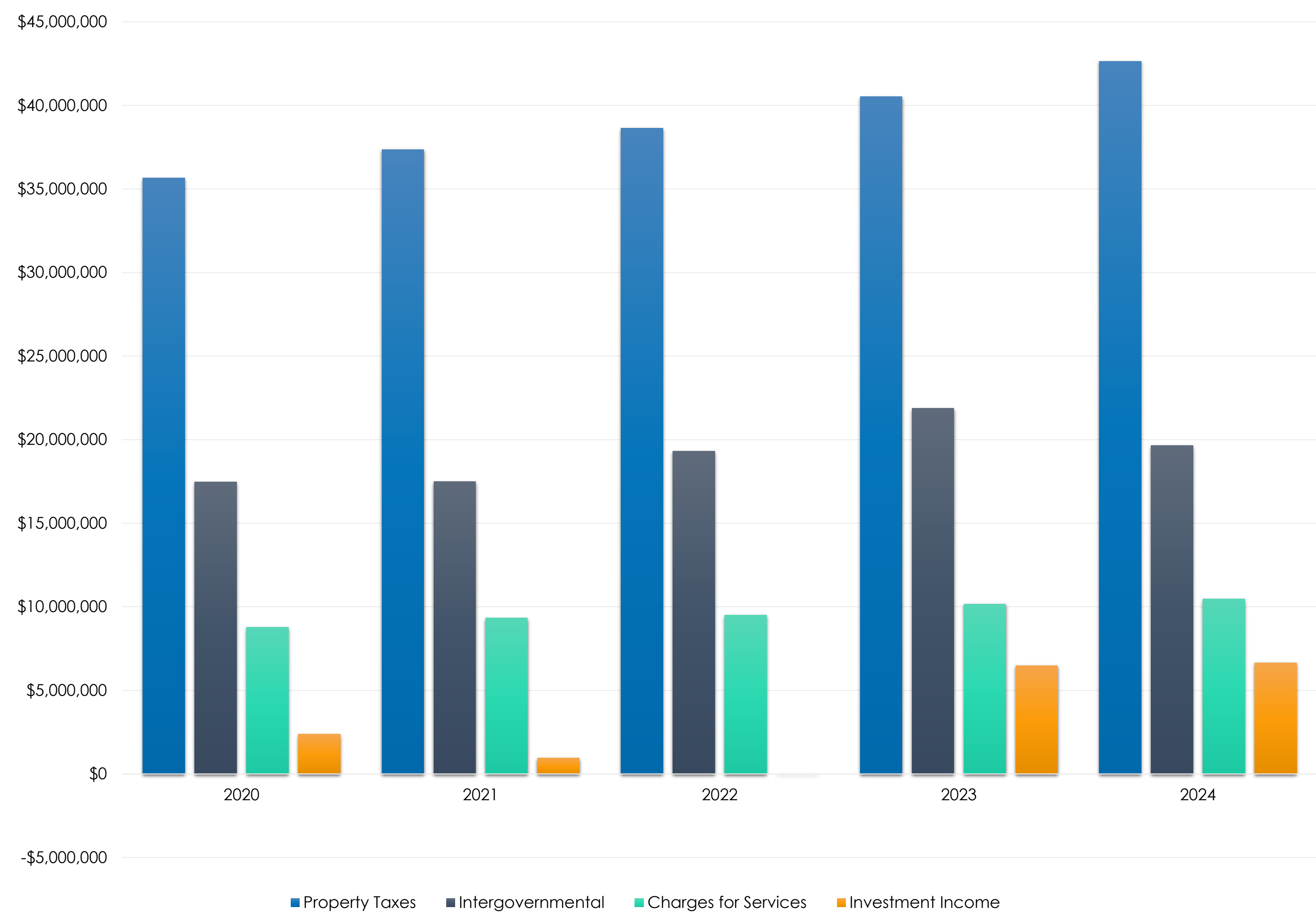
# Assets and Deferred Outflows

	12/31/2023	12/31/2024	Variance
Cash and investments	\$192,342,000	\$206,567,000	\$14,255,000
Receivables	\$36,016,000	\$39,836,000	\$3,820,000
Other assets	\$3,380,000	\$3,737,000	\$356,000
Net capital asset	\$382,964,000	\$400,108,000	\$17,144,000
Deferred outflows - OPEB	\$125,000	\$10,000	(\$115,000)
<b>Total</b>	<b>\$614,828,000</b>	<b>\$650,258,000</b>	<b>\$35,430,000</b>

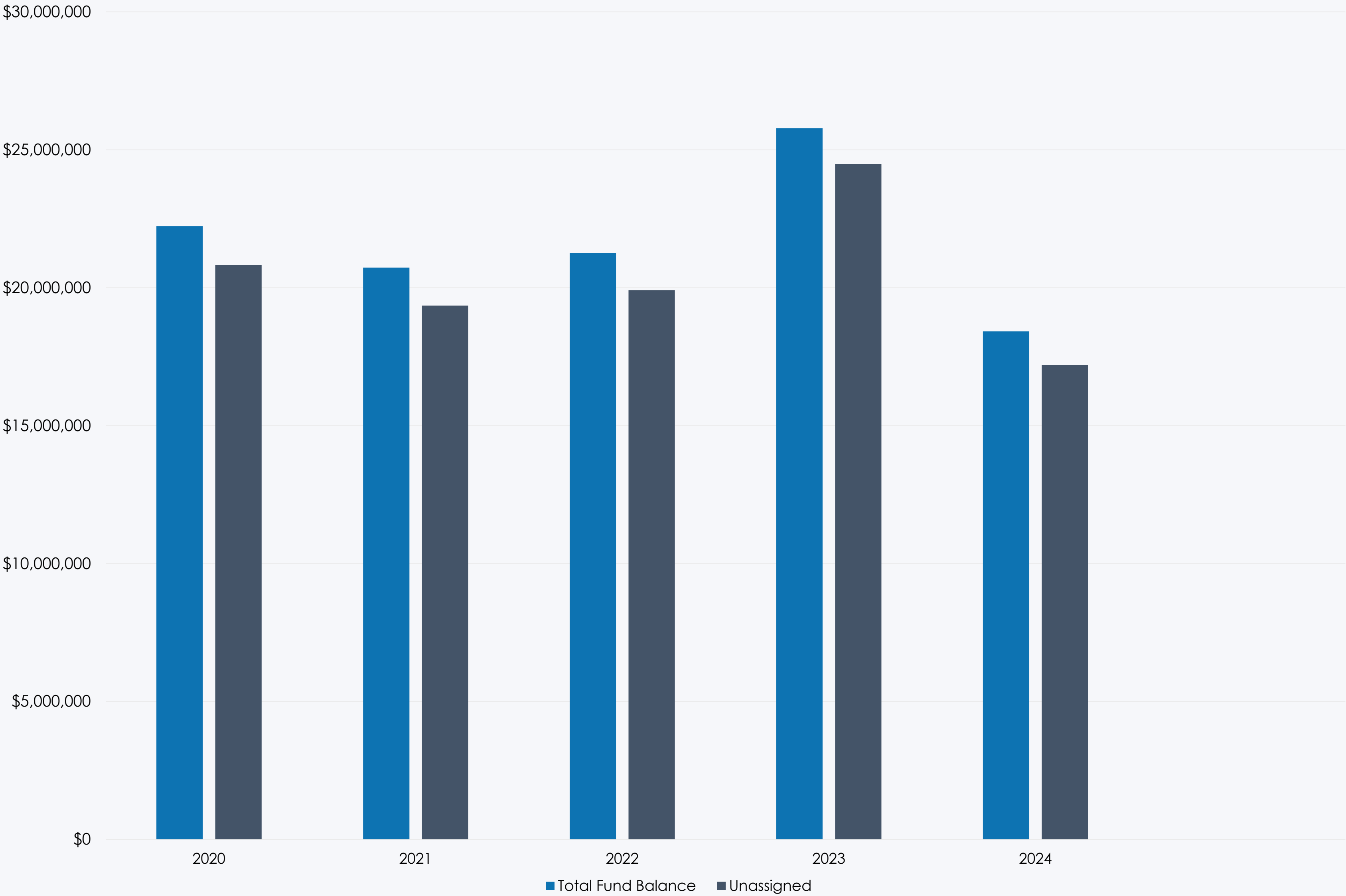
# Liabilities and Deferred Inflows

	12/31/2023	12/31/2024	Variance
AP and accrued liabilities	\$10,018,000	\$14,439,000	\$4,421,000
Long-term debt (including SBITA)	\$13,896,000	\$19,254,000	\$5,358,000
Deferred inflows - taxes	\$42,589,000	\$45,246,000	\$2,657,000
Deferred inflows - leases	\$1,417,000	\$1,239,000	(\$178,000)
Total	\$67,920,000	\$80,178,000	\$12,258,000

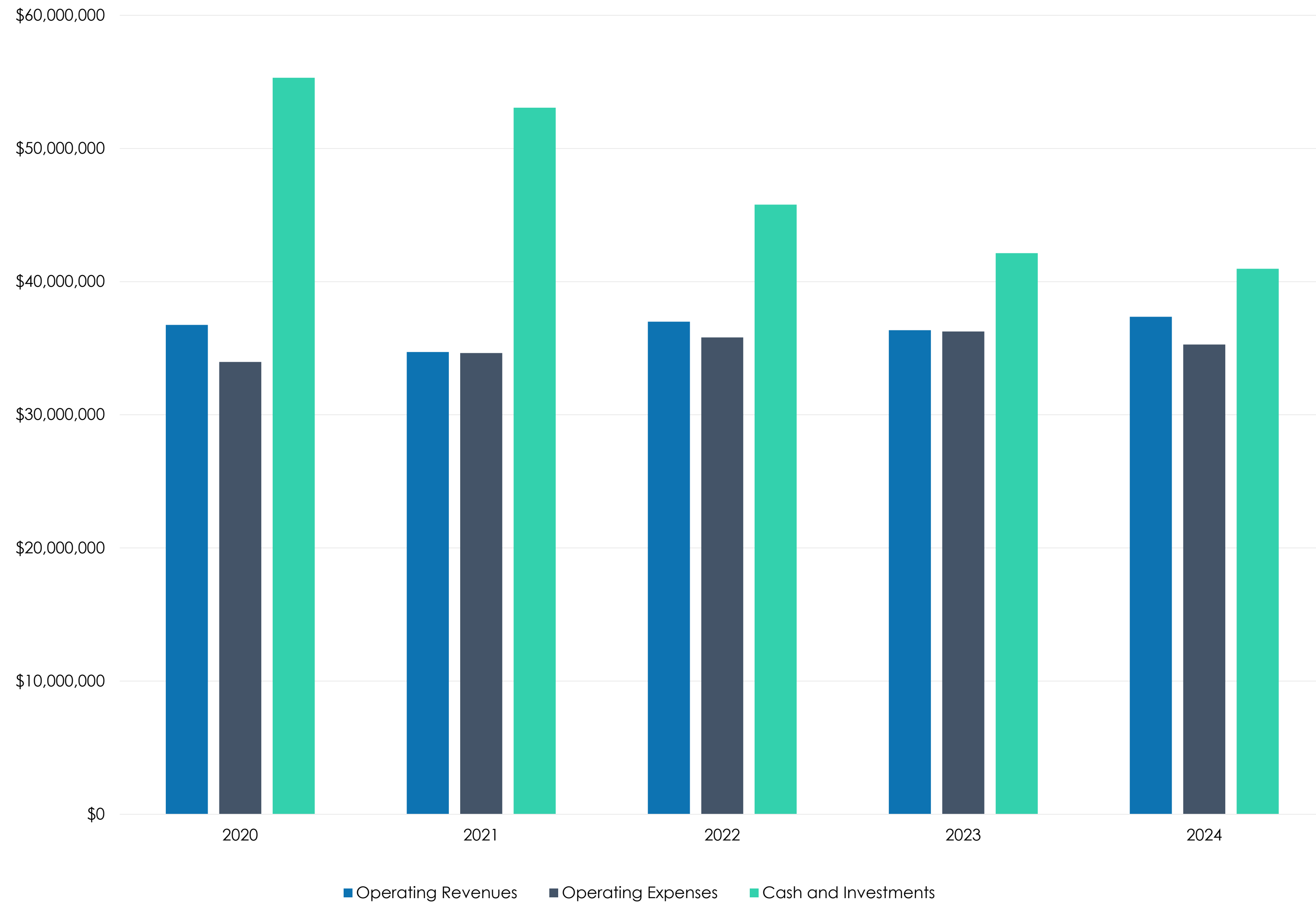
# Major Revenue Line Items (Governmental Funds)



# Fund Balance (General Fund)



# Water and Sewer Fund





# Net OPEB Liability (Asset)



# Board Communications

- 1** Accounting estimates by management were assessed and deemed reasonable
- 2** No difficulties were encountered during the audit in working with management.
- 3** Our report issued on internal controls over financial reporting noted only one material audit adjustment and no other deficiencies in internal control over financial reporting.
- 4** We made several informal recommendations on best practices to management during the audit but we noted no comments requiring written communication in our letter to management.



# Upcoming Accounting Pronouncements (next two years)

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**1**

**GASB 102 – Certain Risk Disclosures (FY25)**

**2**

**GASB 103 – Financial Reporting Model Improvements (FY26)**

**3**

**GASB 104 – Disclosure of Certain Capital Assets (FY26)**



**QUESTIONS**