

# CITY OF ROCHESTER HILLS

December 31, 2023



innovative by nature

**Rehmann**  
EMPOWER YOUR PURPOSE

## Meet the People on Your Team



---

**Daniel Clark, CPA**  
Signing Principal



---

**Tracey Kendall, CPA**  
Senior Manager



---

**Dan Merritt, CPA**  
Senior Manager

## Audit Opinions and Key Financial Highlights

1

An unmodified opinion was given on the 12/31/2023 financial statements

2

An unmodified opinion was given on the 12/31/2023 schedule of expenditures of Federal awards (SEFA)

3

Key financial highlights:

- Total growth in assets of \$19.6m or 3%. Total reduction of liabilities of (\$7.0m) or (9%)
- Property tax revenue increased \$1.9m or 5%. Investment income was \$6.5m
- General fund balance increased \$4.5m or 21%. Fund balance coverage ratio was 117%
- Significant investments in infrastructure noted
- No pension liability. OPEB liability is funded at 107%

## Assets and Deferred Outflows

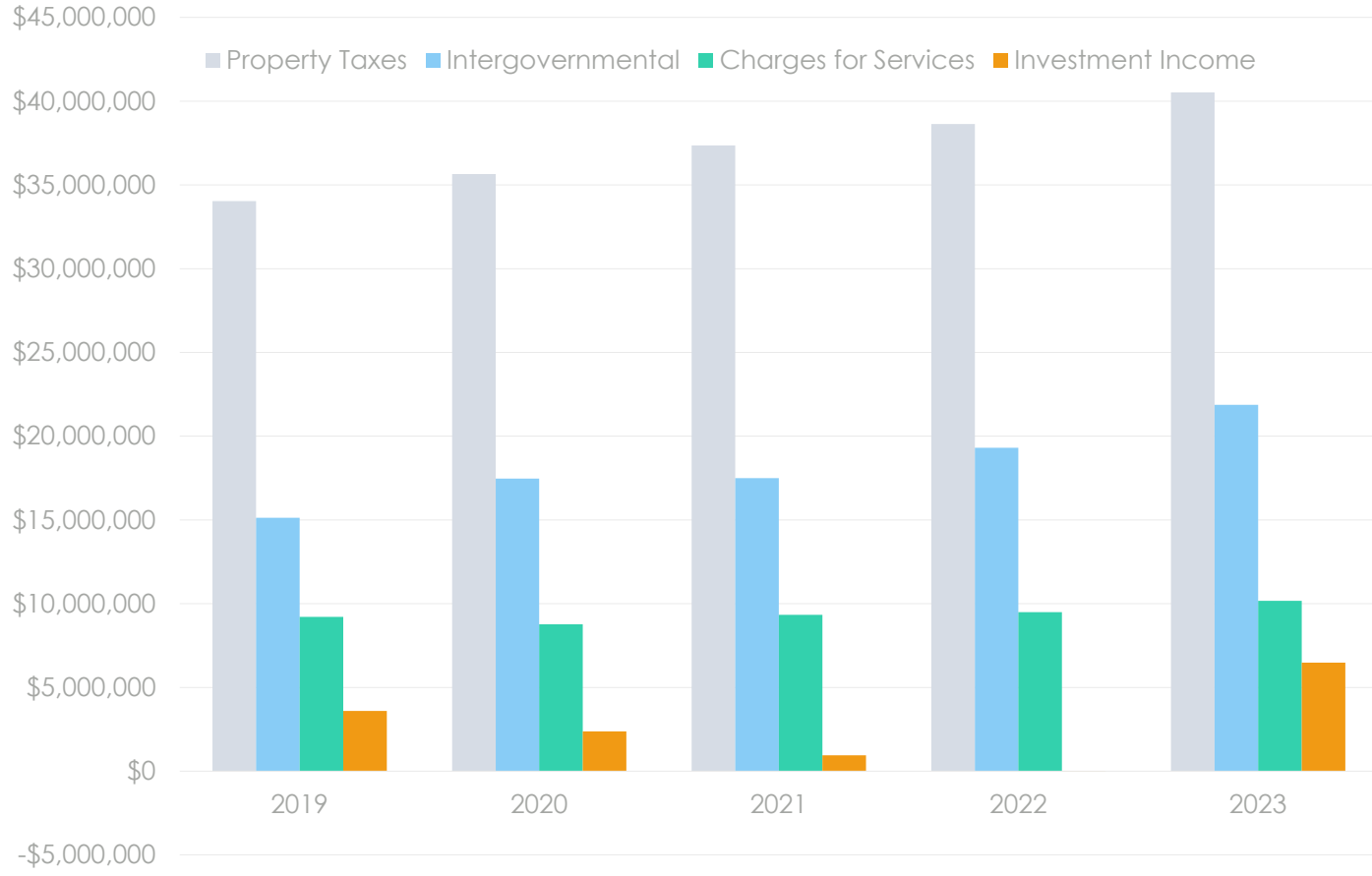
4

	12/31/2022	12/31/2023	Variance
Cash and investments	\$173,230,000	\$192,342,000	\$19,112,000
Receivables	\$44,841,000	\$36,016,000	(\$8,825,000)
Other assets	\$3,050,000	\$3,247,000	\$197,000
Net capital asset	\$373,637,000	\$382,964,000	\$9,327,000
Deferred outflows - OPEB	\$290,000	\$125,000	(\$165,000)
<b>Total</b>	<b>\$595,048,000</b>	<b>\$614,694,000</b>	<b>\$19,646,000</b>

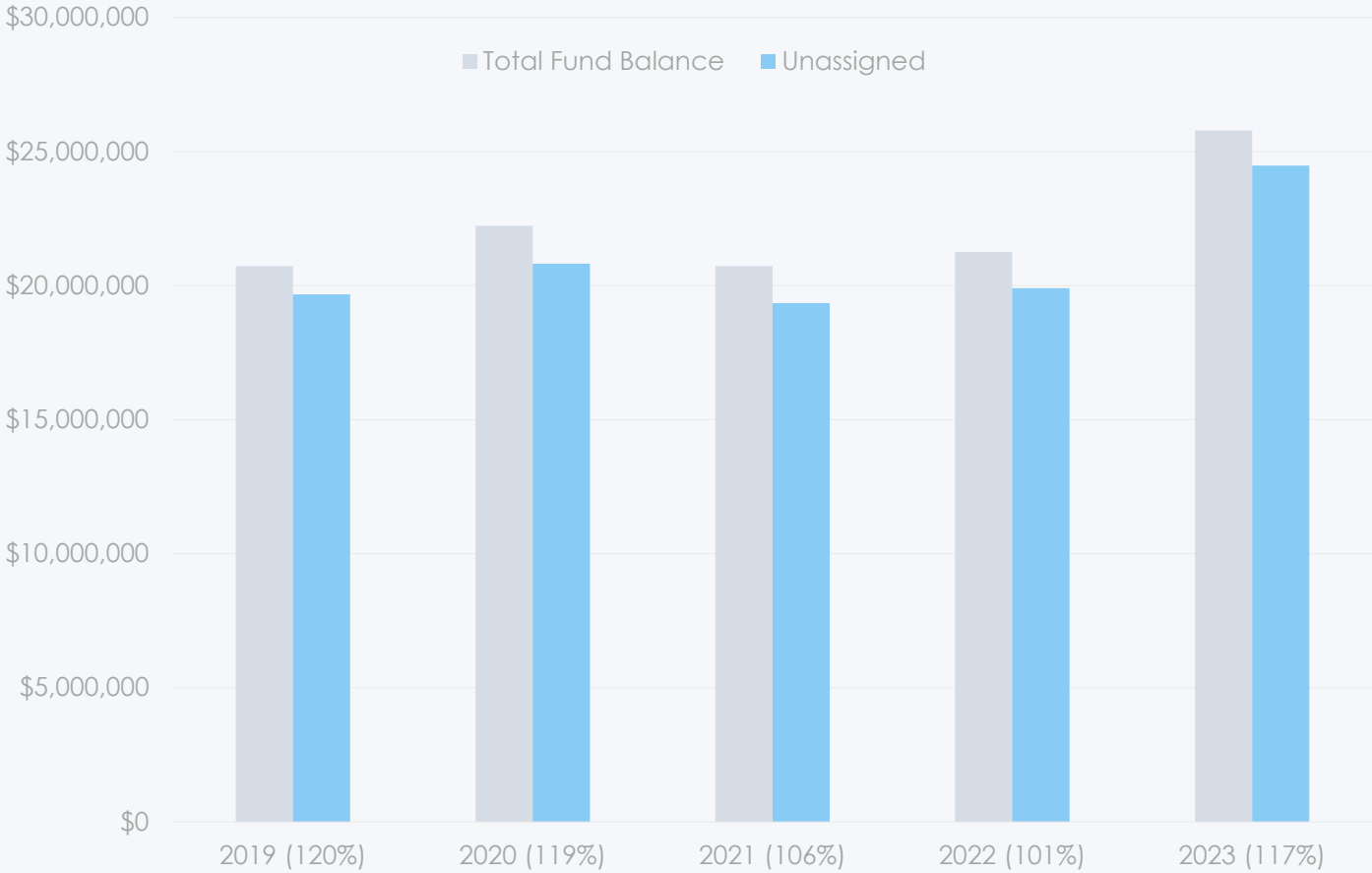
## Liabilities and Deferred Inflows

	12/31/2022	12/31/2023	Variance
AP and accrued liabilities	\$11,116,000	\$10,018,000	(\$1,098,000)
Unearned revenue	\$8,214,000	-	(\$8,214,000)
Long-term debt (including SBITA)	\$14,263,000	\$13,896,000	(\$367,000)
Net OPEB liability (asset)	\$114,000	(\$134,000)	(\$248,000)
Deferred inflows - taxes	\$40,159,000	\$42,589,000	\$2,430,000
Deferred inflows - leases	\$951,000	\$1,417,000	\$466,000
<b>Total</b>	<b>\$74,817,000</b>	<b>\$67,786,000</b>	<b>(\$7,031,000)</b>

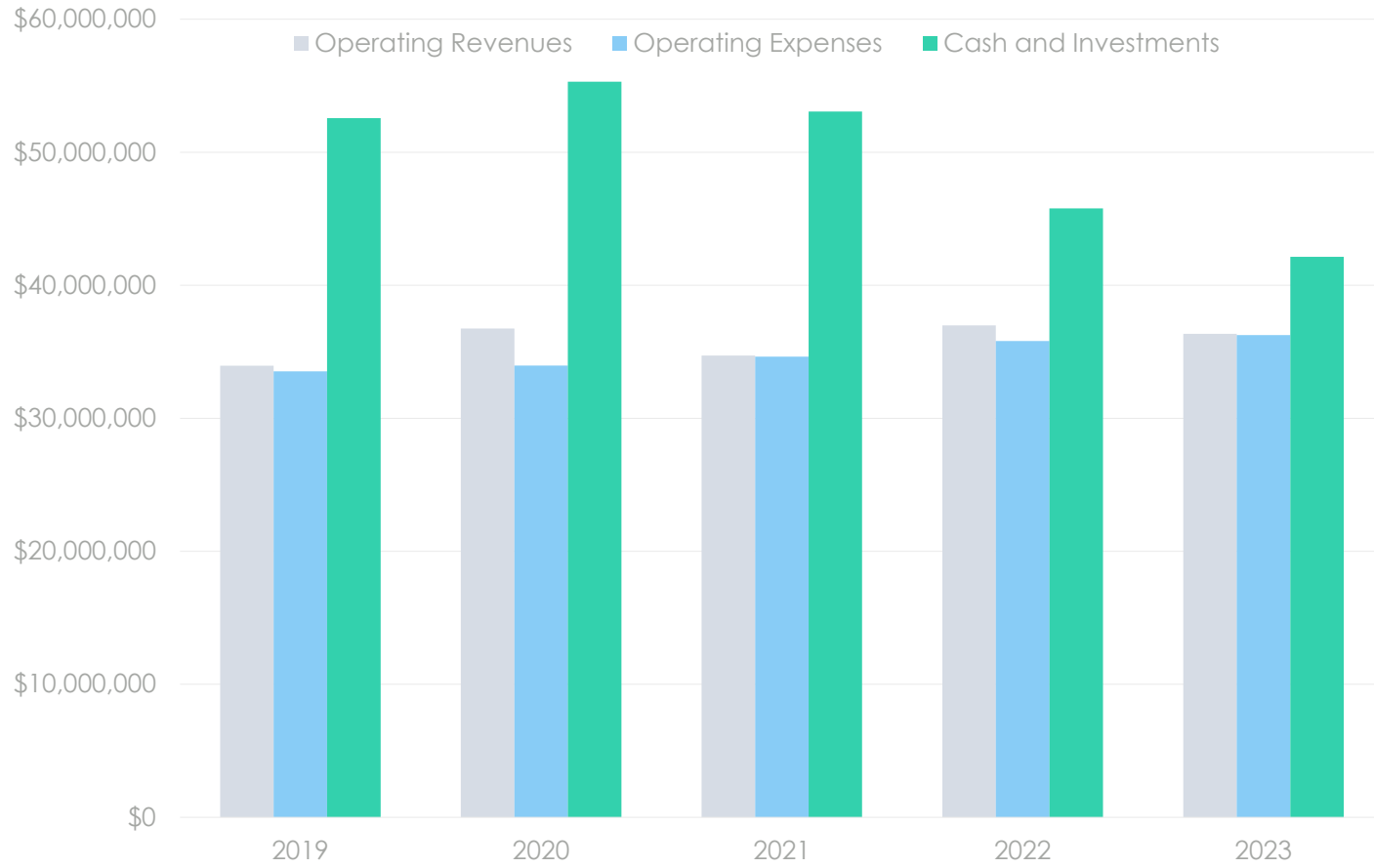
# Major Revenue Line Items (Governmental Funds)



# Fund Balance (General Fund)

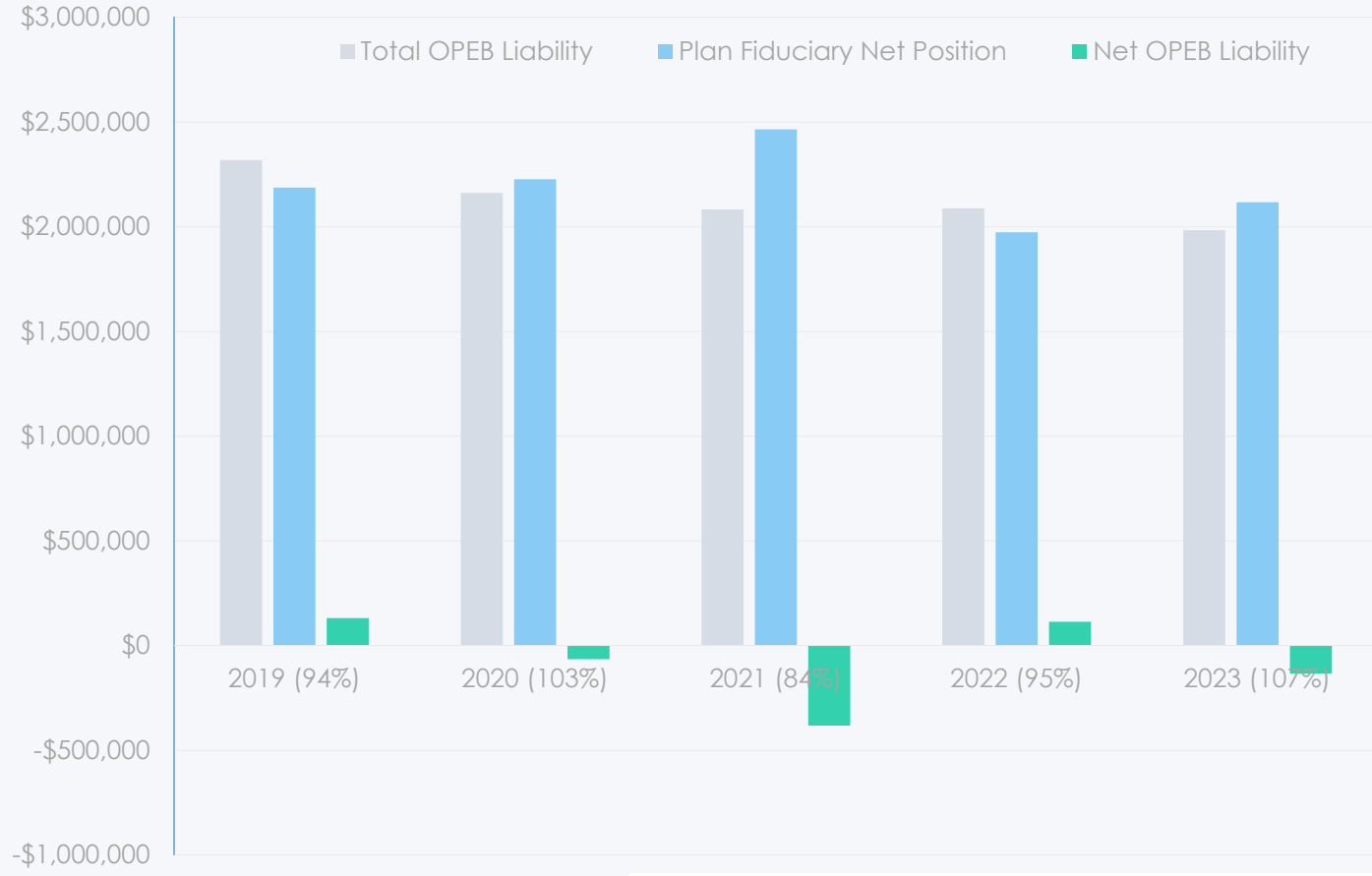


# Water and Sewer Fund





# Net OPEB Liability (Asset)



## Board Communications

- 1** Accounting estimates by management were assessed and deemed reasonable
- 2** No difficulties were encountered during the audit
- 3** Report issued on internal controls over financial reporting with one item noted related to how permit revenue was historically recognized vs. deferred
- 4** One recommendation was noted related to review of journal entries
- 5** Report issued on compliance of the major program (State and Local Fiscal Recovery Fund – ALN 20.027) with no findings noted

## Upcoming Accounting Pronouncements (next two years)

- 1** GASB 100 – Accounting Changes and Errors Corrections (FY24) – N/A
- 2** GASB 101 – Compensated Absences (FY24)
- 3** GASB 102 – Certain Risk Disclosure (FY25) – N/A



**QUESTIONS**