



plante moran | Audit. Tax. Consulting.
Wealth Management.

City of South Lyon Audit Presentation to the City Council

For Year Ended June 30, 2019

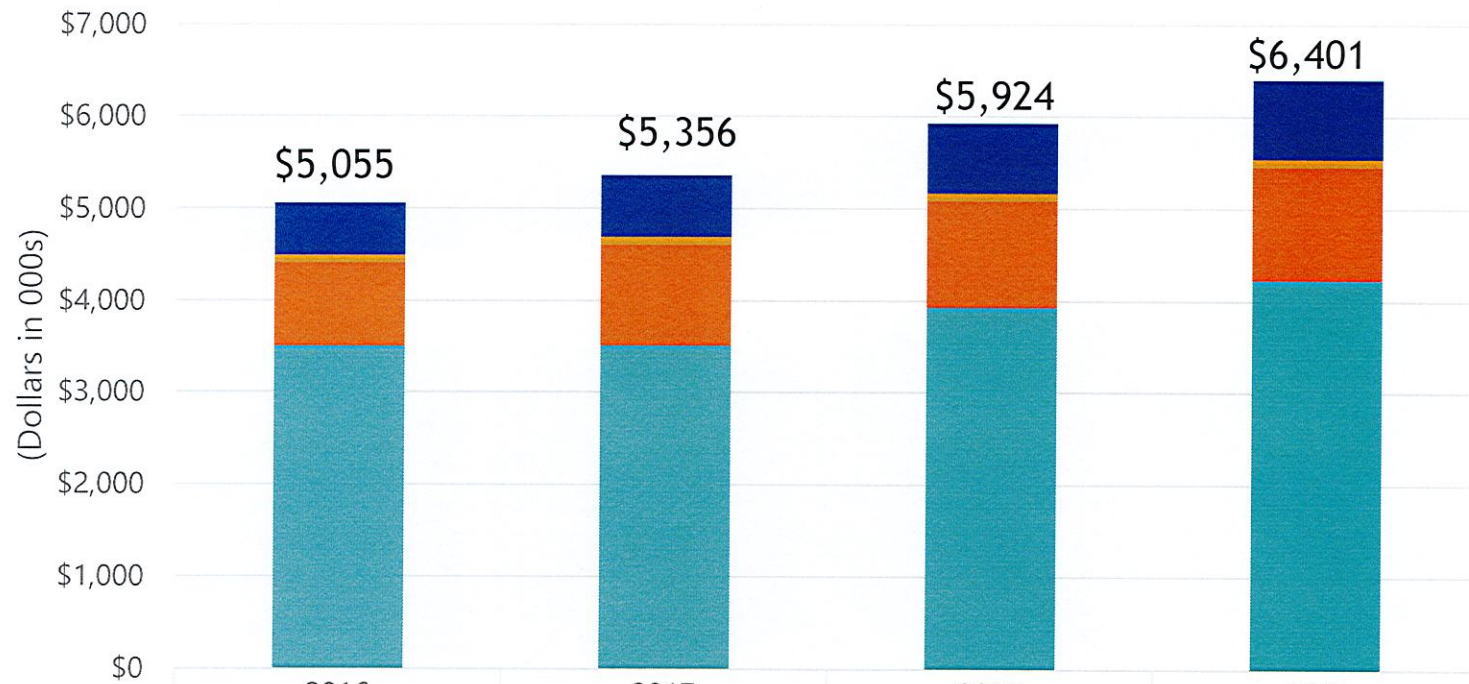


City of South Lyon Agenda

- Financial Graphs
- Communication with Those Charged with Governance – End of Audit Letter
- Questions



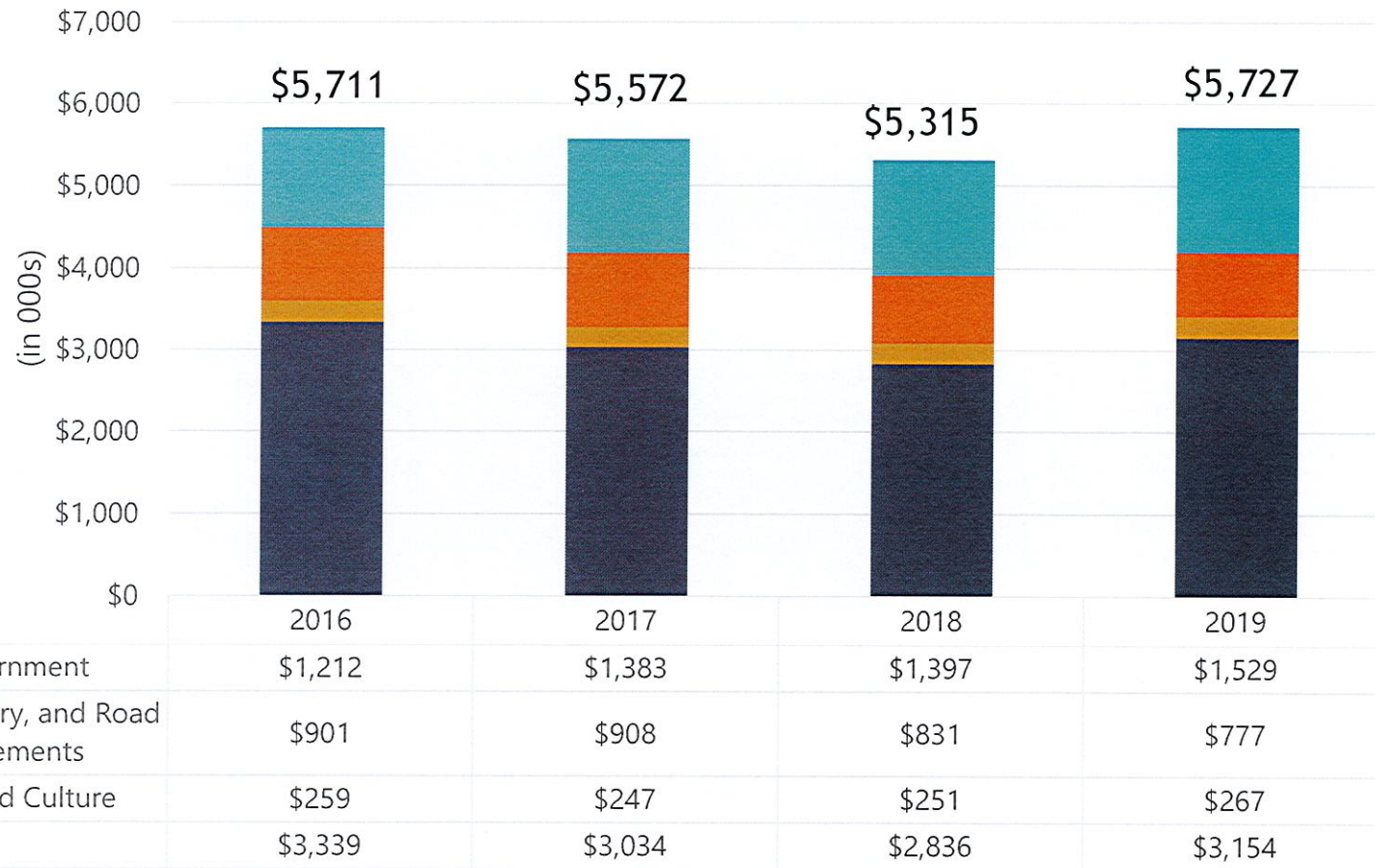
City of South Lyon General Fund - Revenue Years Ended June 30



	2016	2017	2018	2019
Fines, Fees, & Other	\$564	\$662	\$758	\$862
Charges for Services	\$79	\$85	\$83	\$85
State & Federal	\$908	\$1,097	\$1,152	\$1,221
Property Taxes	\$3,504	\$3,512	\$3,931	\$4,233

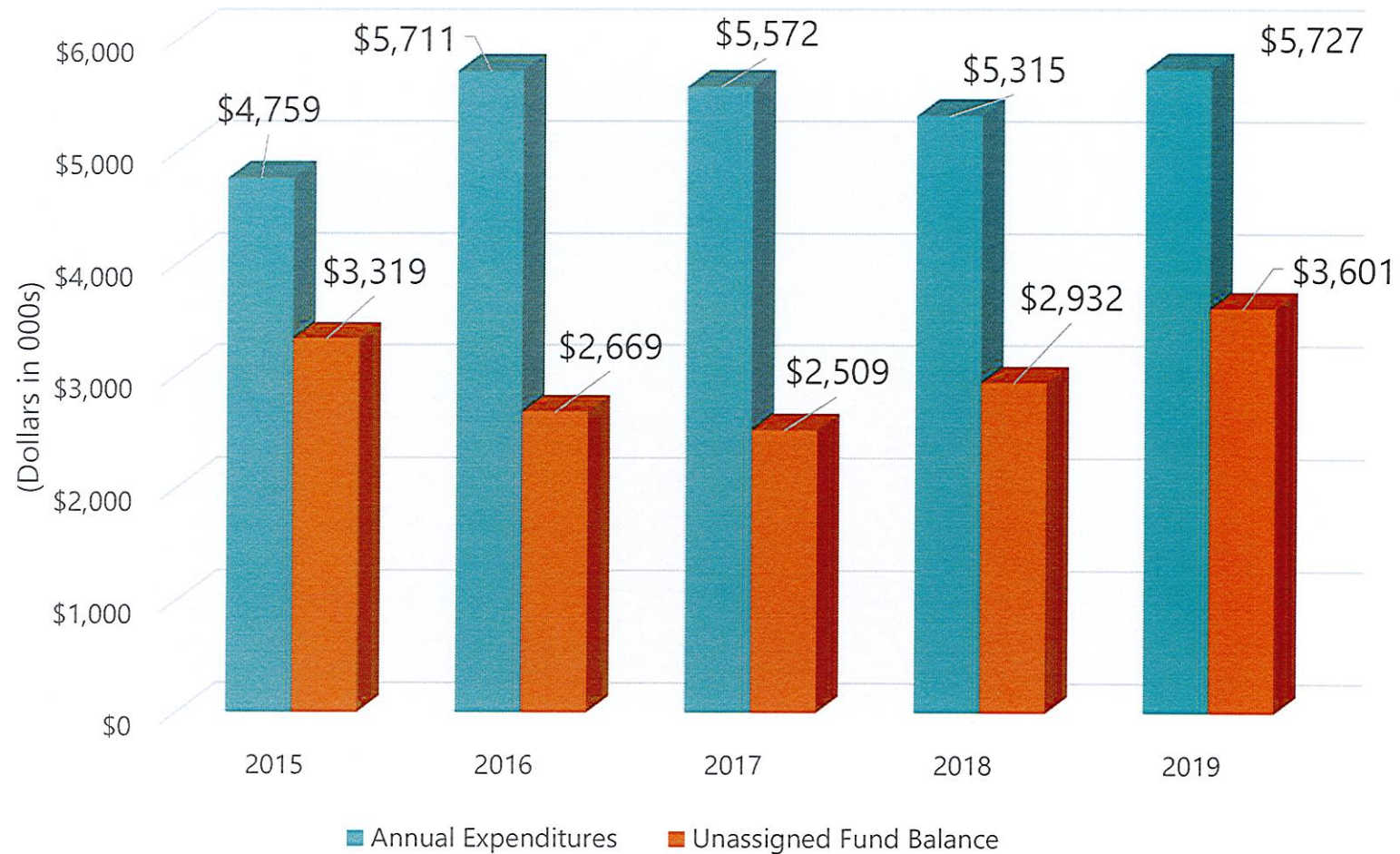


City of South Lyon General Fund – Expenditures Years Ended June 30





City of South Lyon General Fund-Fund Balance Years Ended June 30

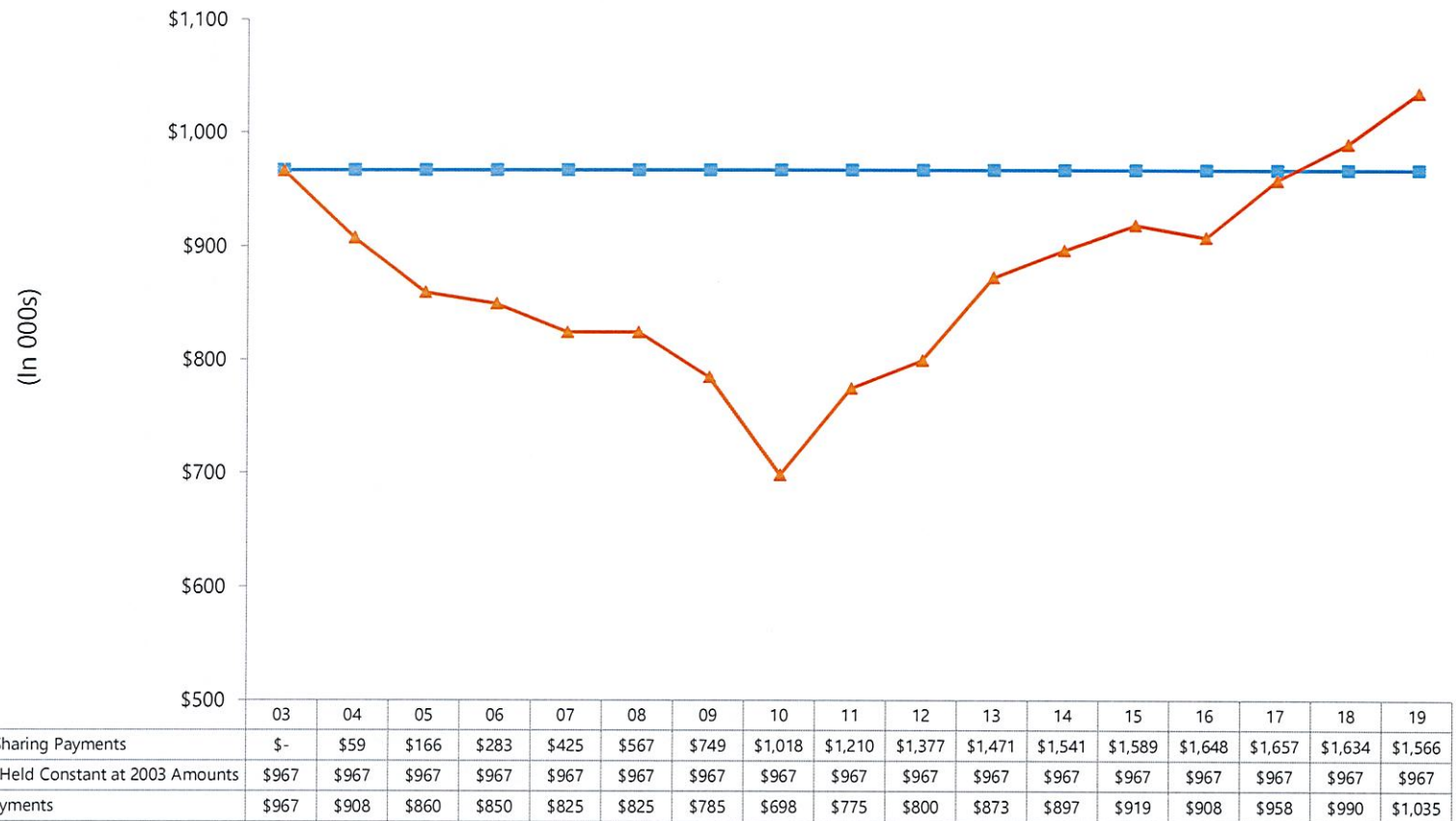




City of South Lyon

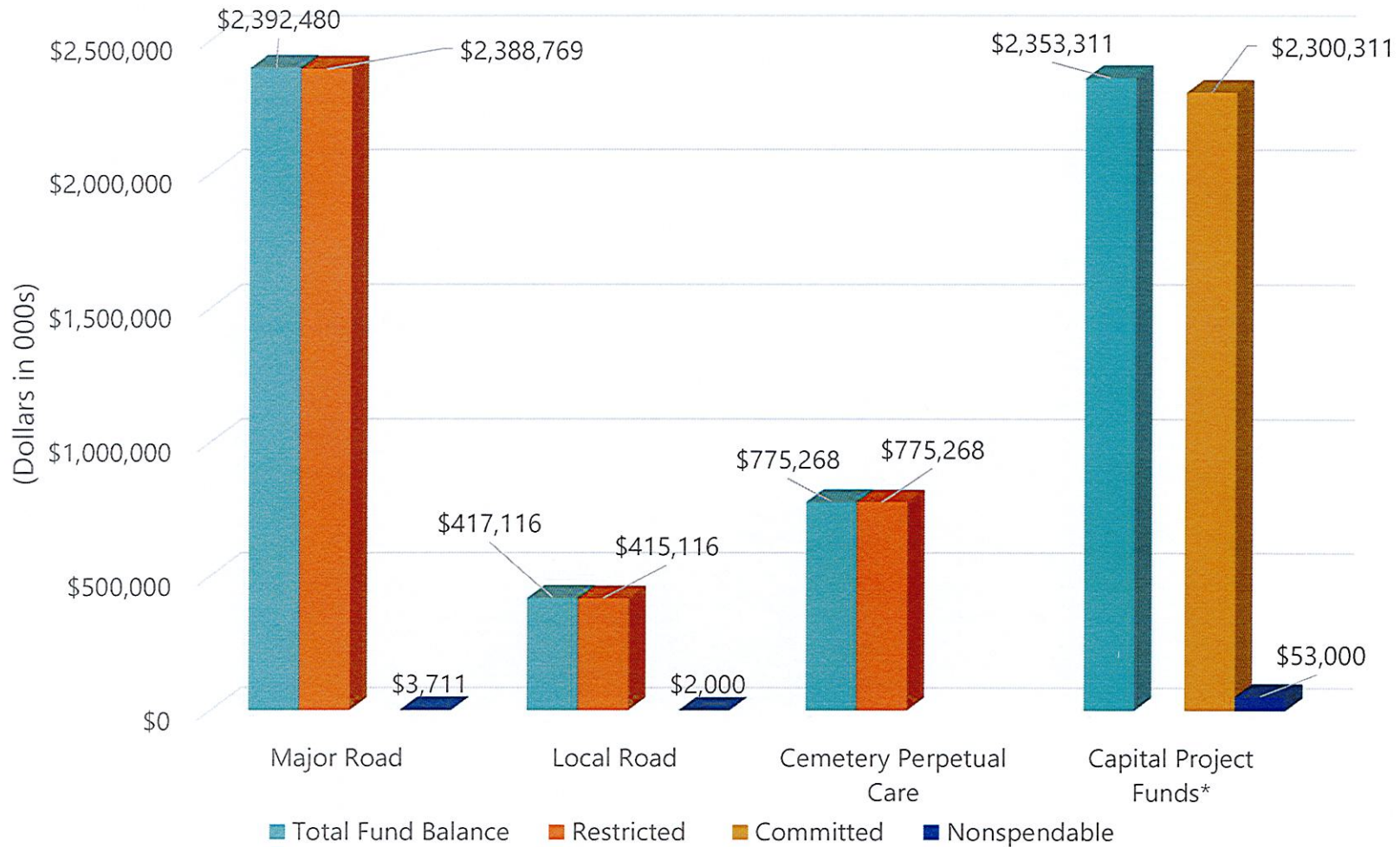
Revenue Sharing Payment History

Fiscal Years Ended June 30





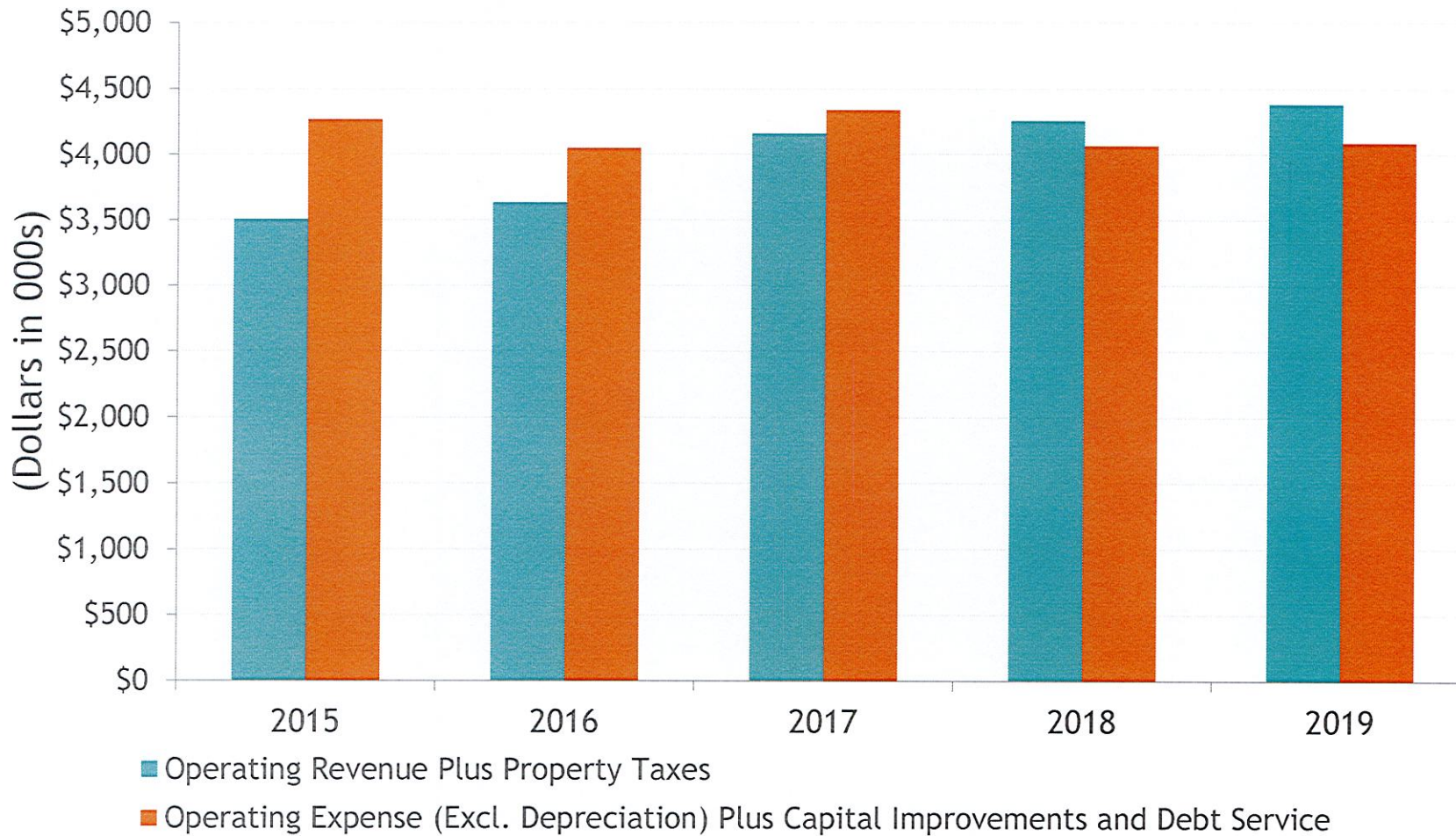
City of South Lyon Nonmajor Funds-Fund Balance Years Ended June 30



* Capital Project funds include Capital Improvement, Equipment Replacement, and Land Acquisition funds



City of South Lyon Water & Sewer Fund Years Ended June 30





City of South Lyon

Longer-Term Perspective of Equity

Government-Wide Net Position

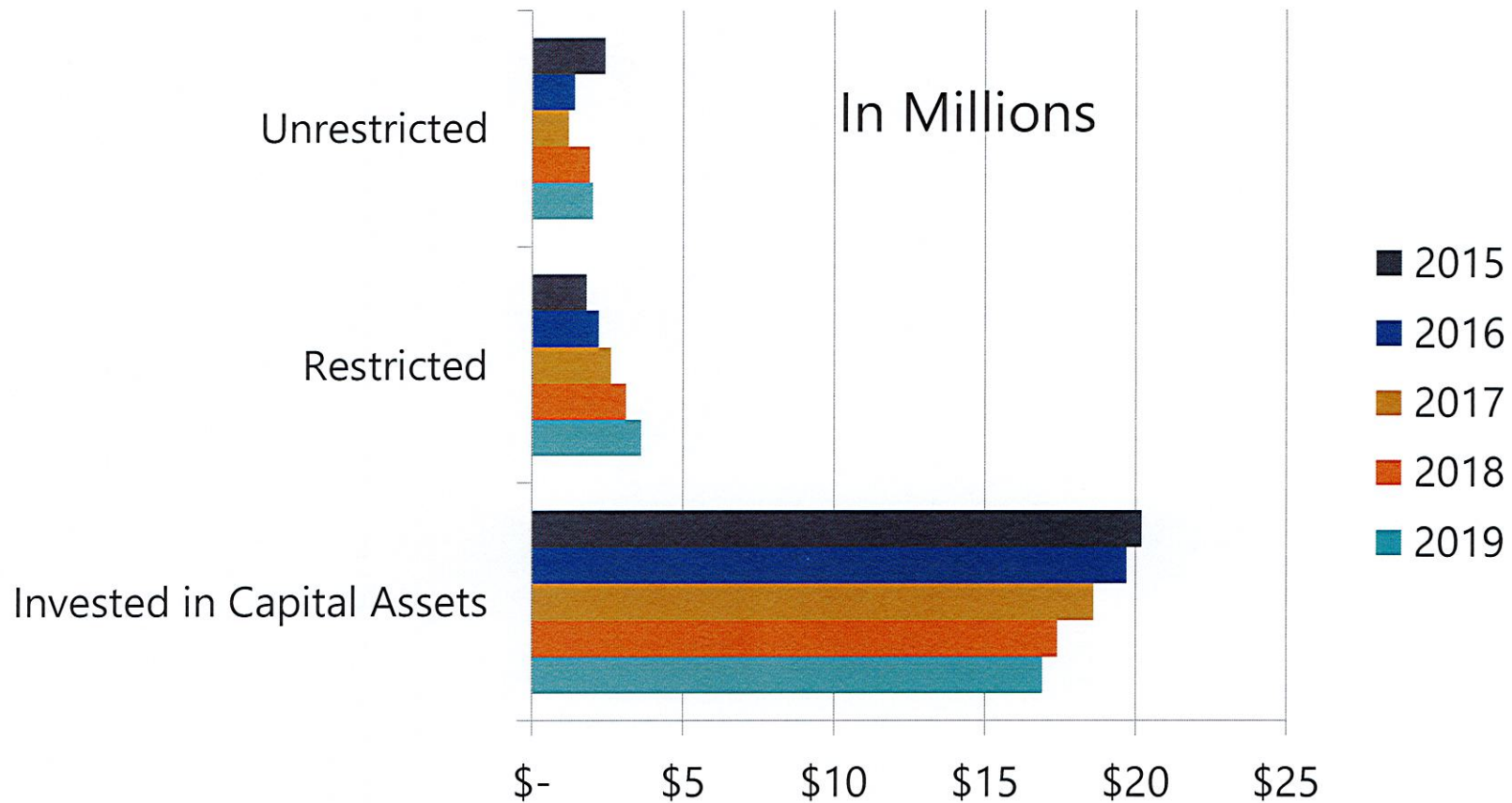
	Governmental Activities	Business-type Activities	Total
Assets			
Current assets and other	\$ 11,118,984	\$ 10,647,814	\$ 21,766,798
Capital assets	17,057,859	27,130,935	44,188,794
Total assets	28,176,843	37,778,749	65,955,592
Deferred Outflows - Pension and OPEB	1,161,705	218,848	1,380,553
Liabilities			
Accounts payable and other liabilities	843,073	202,801	1,045,874
Net OPEB Liability	441,630	103,912	545,542
Net Pension Liability	5,141,467	960,323	6,101,790
Debt	121,868	9,102,379	9,224,247
Total liabilities	6,548,038	10,369,415	16,917,453
Deferred Inflows - Pensions and OPEB	229,892	48,507	278,399
Net Position			
Net investment in capital assets	16,935,991	18,028,556	34,964,547
Restricted:			
Road Improvements	2,809,596	-	2,809,596
Law enforcement	27,353	-	27,353
Cemetery	775,268	-	775,268
Parks and recreation capital improvemen	19,645	-	19,645
Water and sewer replacement	-	5,013,002	5,013,002
Unrestricted	1,992,765	4,538,117	6,530,882
Total net position	<u>\$ 22,560,618</u>	<u>\$ 27,579,675</u>	<u>\$ 50,140,293</u>



City of South Lyon

Longer-Term Perspective of Governmental Equity

Government-Wide Net Position (All Governmental Activities)





City of South Lyon Legacy Costs

Unfunded Liability	
Pension	OPEB
\$6,101,790	\$545,542

Future Expected Contributions				
	<u>Pension</u>	<u>OPEB</u>	<u>Revenue</u> ***	<u>% of Revenue</u>
FY18/19	\$586,800	\$61,253	\$ 9,705,836	6.68%
FY19/20	606,300	64,704	9,851,400	6.81%
FY20/21	633,700	67,900**	9,999,200	7.02%
FY21/22	734,000*	71,300**	10,149,200	7.93%
FY22/23	758,000*	74,900**	10,301,400	8.09%
FY23/24	786,000*	78,600**	10,455,900	8.27%

* Estimates per MERS Valuations

** Estimated at an increase of 5%

*** Only includes General Fund and operating revenues of the Water and Sewer Fund.
Estimated at 3% annual increase

Note – Water and Sewer Fund accounts for approximately 15-20% of the liability and contributions.



City of South Lyon

Communication With Those Charged With Governance

- Internal Control Related Matters Identified
 - Segregation of Duties Related to Bank Reconciliations
 - Trial Balance Account Review
- Required Communication with Those Charged with Governance
 - No transactions entered into for which there was a lack of authoritative guidance
 - No significant transactions recognized in a different period than when the transaction occurred
 - Management estimates included within the financial statements
 - Unbilled Water and Sewer Fund utility receivable
 - Actuarial assumptions
 - Pension
 - OPEB
 - No difficulties or disagreements with management in performing the audit



City of South Lyon

Communication With Those Charged With Governance (Continued)

- Other Recommendations and Related Information
 - Wire Transfer Limits
 - Restricted Assets
 - Investment Returns
 - Information Technology
 - Cash Drawer Activity
 - Equipment Charges
 - Other pertinent information – See pages 6 – 15



Thank you for the opportunity to serve as auditors for the City of South Lyon

For more information, please contact:

Douglas Bohrer, CPA 313.496.8540
Douglas.Bohrer@plantemoran.com

Spencer Tawa, CPA 248.223.3232
Spencer.Tawa@plantemoran.com