

**SOUTH LYON AREA  
RECREATION AUTHORITY**

---

**Annual Financial Report**

**For the Year Ended June 30, 2024**

**SOUTH LYON AREA RECREATION AUTHORITY**

**AUTHORITY BOARD**

Patricia Carcone  
Mark St. Charles  
Paul Zelenak

**DIRECTOR**

Cristin Spiller

**AUDITORS**

Pfeffer, Hanniford & Palka  
Certified Public Accountants

## TABLE OF CONTENTS

### PAGE NUMBER

#### **INDEPENDENT AUDITOR'S REPORT**

#### **MANAGEMENT DISCUSSION AND ANALYSIS**

8

#### **BASIC FINANCIAL STATEMENTS**

##### **GOVERNMENT-WIDE FINANCIAL STATEMENTS**

Statement of Net Position 13

Statement of Activities 14

##### **FUND FINANCIAL STATEMENTS**

Balance Sheet - Governmental Fund 16

Reconciliation of Governmental Fund Balance Sheet to the Statement of Net Position 17

Statement of Revenues, Expenditures, and Changes in Fund Balance - Governmental Fund 18

Reconciliation of Statement of Revenues, Expenditures and Changes in Fund Balance of  
Governmental Fund to the Statement of Activities 19

#### **NOTES TO FINANCIAL STATEMENTS**

21

#### **REQUIRED SUPPLEMENTARY INFORMATION**

General Fund - Statement of Revenues, Expenditures and Changes in Fund Balance -  
Budget and Actual 32

#### **NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**

34

#### **SUPPLEMENTARY INFORMATION**

##### **COMBINING FINANCIAL STATEMENTS**

Combining Balance Sheets - Funds Included in GASB 54 Consolidation 37

Statement of Revenues, Expenditures and Change in Fund Balances -  
Funds Included in GASB 54 Consolidation 38

#### **INDIVIDUAL FUNDS**

##### **GENERAL FUND (PRE GASB 54 RESTATEMENT)**

Balance Sheet 41

Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual 42

##### **CAPITAL FUND (PRE GASB 54 RESTATEMENT)**

Balance Sheet 44

Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual 45



---

**PFEFFER ■ HANNIFORD ■ PALKA**  
*Certified Public Accountants*

**John M. Pfeffer, C.P.A.**  
**Patrick M. Hanniford, C.P.A.**  
**Kenneth J. Palka, C.P.A.**

*Members:*  
*AICPA Private Practice Companies Section*  
*MACPA*

**225 E. Grand River - Suite 104**  
**Brighton, Michigan 48116-1575**  
**(810) 229-5550**  
**FAX (810) 229-5578**

INDEPENDENT AUDITOR'S REPORT

October 23, 2024

To the South Lyon Area Recreation Authority Board Members  
23333 Griswold Rd., Suite 100  
South Lyon, Michigan 48178

We have audited the accompanying financial statements of the governmental activities, each major fund, and aggregate remaining fund information, and the related notes to the financial statements, of South Lyon Area Recreation Authority, Michigan as of and for the year ended June 30, 2024, which collectively comprise the Authority's basic financial statements as listed in the table of contents. In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of South Lyon Area Recreation Authority, Michigan, as of June 30, 2024, and the respective changes in financial position, thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

**Basis for Opinions**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Authority and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

**Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

## **Auditor's Responsibility for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements. In performing an audit in accordance with GAAS we:

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, no such opinion is expressed.
- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

## **Required Supplementary Information**

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 8-10 and 32 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

## **Supplementary Information**

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Authority's basic financial statements. The accompanying supplementary information such as the combining and individual fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional

procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

*Pfeffer, Hanniford & Palka, P.C.*

PFEFFER, HANNIFORD & PALKA  
Certified Public Accountants

## **MANAGEMENT DISCUSSION AND ANALYSIS**

**Management Discussion and Analysis**  
**June 30, 2024**

---

Within this section of South Lyon Area Recreation Authority's annual financial report, the Authority's management is providing a narrative discussion and analysis of the financial activities of the Authority for the fiscal year ended June 30, 2024. This narrative discusses and analyzes the activity within the context of the accompanying financial statements and disclosures following this section. The discussion focuses on the Authority's primary government and, unless otherwise noted, component units reported separately from the primary government are not included.

**Overview of the Financial Statements**

Management's Discussion and Analysis introduces the Authority's basic financial statements. The basic financial statements include government-wide financial statements, fund financial statements, and notes to the financial statements. The Authority also includes in this report additional information to supplement the basic financial statements.

***Government-wide Financial Statements***

The Authority's annual reports include two government-wide financial statements. These statements provide both long-term and short-term information about the Authority's overall status. Financial reporting at this level uses a perspective similar to that found in the private sector with its basis in full accrual accounting and elimination or reclassification of internal activities.

The first of these government-wide statements is the Statement of Net Position. This is the government-wide statement of position presenting information that includes all the Authority's assets and liabilities, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Authority as a whole is improving or deteriorating. Evaluation of the overall health of the Authority may extend to various nonfinancial factors as well.

The second government-wide statement is the Statement of Activities which reports how the Authority's net position changed during the current fiscal year. The design of this statement is to show the financial reliance of the Authority's distinct activities or functions on the revenues generated by the Authority.

***Fund Financial Statements***

A fund is an accountability unit used to maintain control over resources segregated for specific activities or objectives. The Authority uses funds to ensure and demonstrate compliance with finance-related laws and regulations. Fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting.

The Authority has one kind of fund, as follows:

*Governmental funds* are reported in the financial statements and encompass essentially the same functions as governmental activities in the government-wide financial statements except with a different focus on the financial activity. These statements report short-term fiscal accountability focusing on the use of spendable resources and balances of these resources available at the end of the year. They are useful in evaluating annual financing requirements of governmental programs and the commitment of spendable resources for the near-term. Since the focus of the government-wide financial statements includes a long-term view, a reconciliation of these fund balances has been completed to detail its relation to net position.



**Notes to the financial statements**

The accompanying notes to the financial statements provide information essential to a full understanding of both the government-wide and fund financial statements.

**Other information**

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information.

**Financial Analysis of the Authority as a Whole**

The Authority’s net position at the end of the fiscal year was \$742,824. This is a \$41,927 increase over last year’s net position of \$700,897.

The following tables provide a summary of the Authority’s financial activities and changes in net position:

**Summary of Net Position**

	<b>Governmental Activities</b>	
	<b>6/30/2024</b>	<b>6/30/2023</b>
Current and other assets	\$ 973,122	\$ 959,763
<b>Total assets</b>	<b>973,122</b>	<b>959,763</b>
Accounts payable/accrued expenses	45,797	52,149
Lease liability		
Unearned revenue	184,501	206,717
<b>Total liabilities</b>	<b>230,298</b>	<b>258,866</b>
Net position:		
Invested in capital assets, net of related debt		
Unrestricted	742,824	700,897
<b>Total net position</b>	<b>\$ 742,824</b>	<b>\$ 700,897</b>

## Summary of Changes in Net Position

	<b>Governmental Activities</b>	
	<b>6/30/2024</b>	<b>6/30/2023</b>
<b>Revenues</b>		
Program revenues:		
Charges for services	\$ 693,725	\$ 717,403
Operating grants and contributions	63,419	53,411
General revenues:		
Other	10,060	14,411
Interest	15,532	10,277
<b>Total revenues</b>	<b>782,736</b>	<b>795,502</b>
<b>Expenses</b>		
Parks and recreation	740,809	740,444
<b>Change in estimate</b>		<b>(29,612)</b>
<b>Change in net position</b>	<b>41,927</b>	<b>25,446</b>
<b>Beginning net position</b>	<b>700,897</b>	<b>675,451</b>
<b>Ending net position</b>	<b>\$ 742,824</b>	<b>\$ 700,897</b>

### **Financial Analysis of the Authority's Funds**

The Authority increased its General Fund's fund balance by \$41,927.

### **Capital Asset and Long-Term Debt Activity**

The Authority did not acquire any new fixed assets during the fiscal year. There were no disposals during the fiscal year.

There was no long-term debt issued or repaid during the year or any outstanding at year end.

### **General Fund Budgetary Highlights**

The Authority approved a budget prior to the start of the fiscal year. The Authority was over their expected revenue budget and over budget in a few areas; see the note to the required supplementary information.

### **Economic Conditions and Future Activities**

The Authority continues to develop relationships with local business and organizations. These collaborative efforts help to offset programming expenses and minimize duplication of services. South Lyon Community Schools continues to be a primary partner.

### **Contacting the Authority's Financial Management**

This report is designed to provide a general overview of the Authority's financial position and comply with finance-related regulations. If you have any further questions about this report or request additional information please contact South Lyon Area Recreation Authority at 10083 Colonial Industrial Dr., South Lyon, Michigan 48178.

## **BASIC FINANCIAL STATEMENTS**

**GOVERNMENT-WIDE FINANCIAL STATEMENTS**

**SOUTH LYON AREA RECREATION AUTHORITY**

**STATEMENT OF NET POSITION  
JUNE 30, 2024**

	<u><b>Governmental Activities</b></u>
<b>ASSETS</b>	
Cash and investments	\$ 954,270
Other receivables	900
Prepaid expenses	<u>17,952</u>
<b>Total assets</b>	<u>973,122</u>
<b>LIABILITIES</b>	
Accounts payable	23,554
Accrued payroll	22,243
Unearned revenue	<u>184,501</u>
<b>Total liabilities</b>	<u>230,298</u>
<b>NET POSITION</b>	
Unrestricted	<u>742,824</u>
<b>Total net position</b>	<u><u>\$ 742,824</u></u>

The accompanying notes are an integral part of these financial statements.

**SOUTH LYON AREA RECREATION AUTHORITY**

**STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2024**

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>		<u>Net (Expenses) Revenues and Changes in Net Position</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	
<b>GOVERNMENTAL ACTIVITIES</b>				
Parks and recreation	\$ (740,809)	\$ 693,725	\$ 63,419	\$ 16,335
<b>General revenues</b>				
Other				10,060
Interest				15,532
<b>Total general revenues</b>				<b>25,592</b>
<b>Changes in net position</b>				41,927
<b>Net position, July 1, 2023</b>				700,897
<b>Net position, June 30, 2024</b>				\$ 742,824

The accompanying notes are an integral part of these financial statements.

**FUND FINANCIAL STATEMENTS**

**SOUTH LYON AREA RECREATION AUTHORITY**

**BALANCE SHEET  
GOVERNMENTAL FUND  
JUNE 30, 2024**

	<u>General Fund</u>
<b>ASSETS</b>	
Cash and investments	\$ 954,270
Other receivables	900
Prepaid expenditures	<u>17,952</u>
<b>Total assets</b>	<u><u>\$ 973,122</u></u>
 <b>LIABILITIES</b>	
Accounts payable	\$ 23,554
Accrued payroll	22,243
Unearned revenue	<u>184,501</u>
<b>Total liabilities</b>	<u>230,298</u>
 <b>FUND BALANCE</b>	
Non-spendable - prepaid	17,952
Committed - capital expenditures	611,430
Unassigned	<u>113,442</u>
<b>Total fund balance</b>	<u>742,824</u>
<b>Total liabilities and fund balance</b>	<u><u>\$ 973,122</u></u>

The accompanying notes are an integral part of these financial statements.



**SOUTH LYON AREA RECREATION AUTHORITY**

**RECONCILIATION OF GOVERNMENTAL FUND BALANCE SHEET TO THE STATEMENT OF NET POSITION  
JUNE 30, 2024**

**Total fund balance per balance sheet** \$ 742,824

Amounts reported for governmental activities in the Statement of Net Position are different because:

Capital assets used in governmental activities are not financial resources and therefore, are not reported in the funds.

Historical cost	\$ 28,555
Depreciation	<u>(28,555)</u>

**Capital assets net of depreciation**                     

**Net position of governmental activities** \$ 742,824

The accompanying notes are an integral part of these financial statements.

**SOUTH LYON AREA RECREATION AUTHORITY**

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
GOVERNMENTAL FUND  
FOR THE YEAR ENDED JUNE 30, 2024**

	<u>General Fund</u>
<b>REVENUES</b>	
Member municipality contributions	\$ 49,242
Charges for services	677,139
Other charges for services	16,586
Donations	14,177
Interest income	15,532
Other	10,060
<b>Total revenues</b>	<u>782,736</u>
<b>EXPENDITURES</b>	
Salaries	288,691
Payroll taxes	22,038
Employee benefits	45,873
Insurance	11,044
Copier expense	520
Recreation/program supplies	28,461
Education and training	1,586
Operating expense	30,850
Contract services - instructors	165,222
Dues and subscriptions	3,120
Rent/short-term leases	21,326
Rent/long-term leases	49,287
Small equipment	500
Office supplies	2,137
Community promotions	2,324
Bank fees	20,575
Postage	266
Professional services	14,481
Printing and publishing	2
Telephone	6,406
Computer expenditures	23,749
Mileage expense	1,512
Miscellaneous expense	839
<b>Total expenditures</b>	<u>740,809</u>
<b>Net change in fund balance</b>	41,927
<b>FUND BALANCE, JULY 1, 2023</b>	<u>700,897</u>
<b>FUND BALANCE, JUNE 30, 2024</b>	<u><u>\$ 742,824</u></u>

The accompanying notes are an integral part of these financial statements.

**SOUTH LYON AREA RECREATION AUTHORITY**

**RECONCILIATION OF STATEMENT OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE OF GOVERNMENTAL FUND TO THE STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2024**

<b>Net change in fund balance - governmental funds</b>	\$ 41,927
--	-----------

Amounts reported for governmental activities in the Statement of Activities are different because:

Governmental funds report capital outlay as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their useful lives as depreciation expense. The current year activity is as follows:

Depreciation expense

\_\_\_\_\_

**Change in net position of governmental activities**

\$ 41,927

The accompanying notes are an integral part of these financial statements.

**NOTES TO FINANCIAL STATEMENTS**

## **SOUTH LYON AREA RECREATION AUTHORITY**

### **NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2024**

#### **NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The accounting policies of South Lyon Area Recreation Authority conform to generally accepted accounting principles as applicable to governmental units. The following is a summary of the more significant policies:

#### **A. BASIC FINANCIAL STATEMENTS**

In accordance with GASB standards, the basic financial statements include both government-wide and fund financial statements.

The government-wide financial statements (Statement of Net Position and Statement of Activities) report on the Authority as a whole. Governmental fund types are reported in the government-wide financial statements using the economic resources measurement focus and the accrual basis of accounting, which includes long-term assets and receivables as well as long-term debt and obligations. The government-wide financial statements focus more on the sustainability of the Authority as an entity and the change in aggregate financial position resulting from the activities of the fiscal period. Generally, the effect of interfund activity, if any, has been removed from the government-wide financial statements.

The government-wide Statement of Net Position reports all financial and capital resources of the Authority (excluding fiduciary funds). It is displayed in a format of assets less liabilities equals net position, with the assets and liabilities shown in order of their relative liquidity. Net positions are required to be displayed in three components: 1) invested in capital assets, net of related debt, 2) restricted, and 3) unrestricted. Invested in capital assets, net of related debt is capital assets net of accumulated depreciation and reduced by outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. Restricted net positions are those with constraints placed on their use by either: 1) externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments, or 2) imposed by law through constitutional provisions or enabling legislation. All net positions not otherwise classified as restricted, are shown as unrestricted. Generally, the Authority would first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net positions are available.

The government-wide Statement of Activities demonstrates the degree to which both direct and indirect expenses of the various functions and programs of the Authority are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or identifiable activity. Indirect expenses for administrative overhead are allocated among the functions and activities using a full cost allocation approach and are presented separately to enhance comparability of direct expense between governments that allocate direct expenses and those that do not. Interest on general long-term debt is not allocated to the various functions. Program revenues include: 1) charges to customers or users who purchase, use or directly benefit from goods, services or privileges provided by a particular function or program and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or program. Taxes, unrestricted investment income and other revenues not identifiable with particular functions or programs are included as general revenues. The general revenues support the net costs of the functions and programs not covered by program revenues.

**SOUTH LYON AREA RECREATION AUTHORITY**

**NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2024**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

Also, part of the basic financial statements are fund financial statements for the governmental fund(s). The focus of the fund financial statements is on major funds, as defined by GASB Statement No. 34. Although this reporting model sets forth minimum criteria for determination of major funds (a percentage of assets, liabilities, revenues, or expenditures of fund category and of the governmental funds combined), it also gives governments the option of displaying other funds as major funds. Other non-major funds, if any, are combined in a single column on the fund financial statements.

The Authority reports the following major governmental fund:

The General Fund is the Authority's primary operating fund. It accounts for all financial resources of the general government. General Fund activities are funded primarily from program charges and intergovernmental sources.

**B. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING**

The governmental fund financial statements are prepared on a modified accrual basis of accounting. To conform to the modified accrual basis of accounting, certain modifications must be made to the accrual method. These modifications are outlined below:

- A. Revenue is recorded when it becomes both measurable and available (received within 60 days after year-end). Revenue considered susceptible to accrual include property taxes, sales and use taxes, licenses, fees and permits, intergovernmental revenues, charges for services and interest.
- B. Expenditures are recorded when the related fund liability is incurred. Principal and interest on long-term debt are recorded as fund liabilities when due or when amounts have been accumulated in the debt service fund for payments to be made early in the following year.
- C. Disbursements for the purchase of capital assets providing future benefits are considered expenditures. Long-term debt proceeds are reported as another financing source. Principal payments on long-term debt obligations are considered expenditures.

With this measurement focus, operating statements present increases and decreases in net current assets and unreserved fund balances as a measure of available spendable resources.

This is the traditional basis of accounting for governmental funds and also is the manner in which these funds are normally budgeted. This presentation is deemed most appropriate to: 1) demonstrate legal and covenant compliance, 2) demonstrate the sources and uses of liquid resources, and 3) demonstrate how the Authority's actual revenues and expenditures conform to the annual budget. Since the governmental fund financial statements are presented on a different basis than the governmental activities column of the government-wide financial statements, a reconciliation is provided immediately following each fund statement. These reconciliations briefly explain the adjustments necessary to transform the fund financial statements into the governmental activities column of the government-wide financial statements.

**SOUTH LYON AREA RECREATION AUTHORITY**

**NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2024**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**C. BUDGET INFORMATION**

The annual budget is prepared by the recreation director and adopted by the South Lyon Area Recreation Authority Board; subsequent amendments are approved by the Authority’s Board. Unexpended appropriations lapse at year end; encumbrances are not included as expenditures. During the current year, the budget was amended, to reflect economic reality.

The budget has been prepared in accordance with accounting principles generally accepted in the United States of America. The budget has been adopted on a total revenue and expenditure basis. For the year ended June 30, 2024, expenditures exceed budget, as shown on page 34.

**D. CAPITAL ASSETS**

Under GASB Standards, all capital assets whether owned by governmental activities or business-type activities, are recorded and depreciated in the government-wide financial statements. No long-term capital assets or depreciation are shown in the governmental fund financial statements.

Capital assets are defined as assets with an initial, individual cost of more than \$5,000 and an estimated useful life greater than one year. Land is considered a capital asset regardless of initial cost. Capital assets are recorded at cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at the estimated fair market value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Major improvements are capitalized and depreciated over the remaining useful lives of the related capital assets.

Capital assets are depreciated using the straight-line method over the following estimated useful lives:

Office equipment	3 to 10 years
Athletic equipment	3 to 5 years
Buildings, structures and improvements	10 to 50 years
Machinery and equipment	5 to 40 years
Vehicle	5 years

**E. USE OF ESTIMATES**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the period. Actual results could differ from those estimates.

**SOUTH LYON AREA RECREATION AUTHORITY**

**NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2024**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**F. RISK MANAGEMENT**

The South Lyon Area Recreation Authority is exposed to various risks of loss related to property loss, torts, errors and omissions, and employee injuries (workers' compensation), as well as medical benefits provided to employees. The Authority has purchased commercial insurance for workers' compensation and employee medical claims and participates in the State Pool program of the Michigan Municipal Risk Management Authority for claims relating to general liability. Settled claims relating to the commercial insurance have not exceeded the amount of insurance coverage in the past year.

The Michigan Municipal Risk Management Authority's State Pool program operates as a common risk-sharing management program for local units of government in Michigan. Member premiums are used to purchase excess insurance coverage and to pay member claims in excess of deductible amounts. A portion of the excess insurance coverage is underwritten by the Authority itself.

**G. CASH AND INVESTMENTS**

Cash and investments include amounts in demand deposits and time deposits, including non-negotiable certificates of deposit.

**H. INCOME TAXES**

As a governmental agency, the Authority is exempt from both federal and state income taxes.

**I. DEFERRED REVENUE**

Governmental fund modified accrual basis financial statements and the government-wide full accrual financial statements report deferred revenue in connection with revenue that has not been earned since it related to advance collection of program fees for programs which will be provided subsequent to the end of the current fiscal year.

**J. COMPENSATED ABSENCES**

The policies regarding compensated absences are outlined in the Authority's "Personnel Policies". All compensated absences lapse at the end of the fiscal year. Thus, no accruals are recorded.

**K. EQUITY CLASSIFICATIONS**

In the government-wide financial statements, equity is classified as net position and displayed in two components:

- a. Invested in Capital Assets, Net of Related Debt - Consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any bond, notes or other borrowings that are attributable to the acquisition, construction or improvement of those assets.
- b. Unrestricted Net Position - Consists of net position that do not meet the definition of "invested in capital assets, net of related debt."



**SOUTH LYON AREA RECREATION AUTHORITY**

**NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2024**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**L. FUND EQUITY**

In the fund financial statements, governmental funds report the following components of fund balance:

- Nonspendable - Amounts that are not in spendable form or are legally or contractually required to be maintained intact.
- Restricted - Amounts that are legally restricted by outside parties, constitutional provisions, or enabling legislation for use for a specific purpose.
- Committed - Amounts that have been formally set aside by the Authority Board for use for specific purposes. Commitments are made and can be rescinded only via resolution of the Authority Board.
- Assigned - Intent to spend resources on specific purposes expressed by the Authority Board or director. All current year assignments have been made by the Authority Board.
- Unassigned - Amounts that do not fall into any other aforementioned category. This is the residual classification for amounts in the General Fund and represents fund balance that has not been assigned to other funds and has not been restricted, committed, or assigned to specific purposes in the General Fund. In other governmental funds, only negative unassigned amounts are reported, if any, and represent expenditures incurred for specific purposes exceeding the amounts previously restricted, committed, or assigned to those purposes.

**NOTE 2 - FINANCIAL REPORTING ENTITY**

In accordance with the provisions of the Governmental Accounting Standards Board (GASB), certain other governmental organizations are not considered to be part of the reporting entity for financial statement purposes.

The criteria established by GASB standards for various governmental organizations to be included in the reporting entity's financial statements include accountability, control, and significant financial relationships.

The accompanying financial statements of South Lyon Area Recreation Authority as of June 30, 2024, include any and all Boards, agencies, funds and account groups under the jurisdiction of the South Lyon Area Recreation Authority.

South Lyon Area Recreation Authority was jointly incorporated by the City of South Lyon, Lyon Township, and the Charter Township of Green Oak. The Authority was incorporated in 2002 under provisions of Public Act 321. The Authority is governed by a Board composed of one member from each of the above municipalities. The Authority was formed to provide recreational services to the respective communities.

**SOUTH LYON AREA RECREATION AUTHORITY**

**NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2024**

**NOTE 3 - CAPITAL ASSETS**

Capital asset activity for the Authority's governmental funds for the year ended June 30, 2024 was as follows:

<b><u>Governmental Activities</u></b>	<b><u>Balance 7/1/2023</u></b>	<b><u>Additions</u></b>	<b><u>Deletions</u></b>	<b><u>Balance 6/30/2024</u></b>
<b>Capital assets being depreciated:</b>				
Office equipment and furniture	\$ 27,265	\$	\$	\$ 27,265
Athletic equipment	1,290			1,290
<b>Total cost</b>	<b>28,555</b>			<b>28,555</b>
<b>Accumulated depreciation:</b>				
Office equipment and furniture	(27,265)			(27,265)
Athletic equipment	(1,290)			(1,290)
	<b>(28,555)</b>			<b>(28,555)</b>
<b>Net capital assets, governmental activities</b>	<b><u>\$</u></b>	<b><u>\$</u></b>	<b><u>\$</u></b>	<b><u>\$</u></b>

Depreciation expense is being recorded in the government-wide statement of activities based upon the activity utilizing the assets. The only activity in the Authority is the parks and recreation activity. The Authority uses the straight-line method to depreciate capital assets over their estimated useful lives. No debt is attributed to these assets.

**SOUTH LYON AREA RECREATION AUTHORITY**

**NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2024**

**NOTE 4 - DEPOSITS WITH FINANCIAL INSTITUTIONS**

Michigan Compiled Laws, Section 129.91, authorizes the Authority to deposit and invest in the accounts of Federally insured banks, credit union, and savings and loan associations; bonds, securities and other direct obligations of the United States, or any agency or instrumentality of the United States; United States government or Federal Agency obligation repurchase agreements; bankers' acceptance of United States banks, commercial paper rated by two standard rating agencies within the two highest classifications, which mature not more than 270 days after the date of purchase; obligations of the State of Michigan or its political subdivisions which are rated investment grade; and mutual funds composed of investment vehicles which are legal for direct investment by local units of government in Michigan. Financial institutions eligible for deposit of public funds must maintain an office in Michigan. The Authority's deposits are in accordance with statutory authority.

The investment policy adopted by the Board in accordance with Public Act 196 of 1997 has authorized investments in all of the investments mentioned in the preceding paragraph.

As of June 30, 2024 cash and investments consist of the following:

	<b>Total</b>	<b>Cash</b>	<b>Investments</b>
<b>Deposits with financial institution</b>			
Checking accounts	\$ 359,398	\$ 359,398	\$
Savings accounts	196,790	196,790	
<b>Total deposits</b>	556,188	556,188	
<b>Investments</b>			
External investment pool	413,741		413,741
<b>Total deposits and investments</b>	\$ 969,929	\$ 556,188	\$ 413,741

The carrying amount of cash and investments is stated at \$954,270 for the Authority as of June 30, 2024. The difference between the carrying amounts and amounts mentioned above stem from cash on hand and outstanding checks.

**Deposits - Custodial Credit Risk**

This is the risk that in the event of a bank failure, the Authority will not be able to recover its deposits. The Authority does not have a deposit policy for custodial credit risk. The Authority evaluates each financial institution with which it deposits funds and assesses the level of risk of each institution; only those institutions with an acceptable estimated risk level are used as depositories.

As of June 30, 2024, deposits in banks totaled \$556,188 which was exposed to custodial credit risk as follows:

Insured by FDIC	\$ 446,790
Uninsured and uncollateralized	109,398
<b>Total deposits</b>	<b>\$ 556,188</b>

**SOUTH LYON AREA RECREATION AUTHORITY**

**NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2024**

**NOTE 4 - DEPOSITS WITH FINANCIAL INSTITUTIONS (continued)**

FDIC insurance covers up to \$250,000 for the combined amount of all time and savings accounts, and up to \$250,000 for the combined amount of all demand deposit accounts

**Investments - Custodial Credit Risk**

This is the risk that in the event of the failure of a counterparty to a transaction, the Authority will not be able to recover the value of its investments. The Authority does not have a policy to cover custodial credit risk for investments. The Authority evaluates each financial institution with which it invests and assesses the level of risk of each institution. Investments are made only from those institutions with an acceptable estimates risk level. The investments in external investment pools are not issued in securities form and therefore not subject to custodial credit risk disclosures. Amounts invested in an external investment pool is \$413,741.

**Interest Rate Risk**

Interest rate risk is the risk that the changes in market will adversely affect the fair values of investments and cash deposits. The Authority’s investment policy requires this risk be minimized by investing primarily in short-term deposits and investments, thus avoiding the need to sell prior to maturity.

The Authority’s investment in the Oakland County Local Government Investment pool meets the definition of a 2a7-like pool and is therefore not subject to disclosures of interest rate risk.

**Credit Risk**

Credit risk is the risk that an issuer to an investment will not fulfill its obligations. The Authority investment policy limits investments to those authorized by Public Act 20 of 1942.

As of June 20, 2024, the Authority’s investments were exposed to credit risk as follows:

<u>Investment Type</u>	<u>S&amp;P Rating</u>	<u>Amount</u>
External investment pool - Oakland County	AAAm	<u>\$ 413,741</u>

**Fair Value Measurements**

The Authority categorizes the fair value measurements of its investments within the fair value hierarchy established by generally accepted accounting principles. Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities. Level 2 inputs are significant other observable inputs and Level 3 inputs are significant unobservable inputs. Investments that are measured at fair value using net asset value per share (NAV) (Or its equivalent) as a practical expedient are not classified in the fair value hierarchy.

The Authority’s deposits of \$556,188 measured at fair value are Level 1.

The Authority’s accounts receivable and accounts payable are financial instruments which have fair values at June 30, 2024 that approximate their stated carrying amounts at those dates.

**SOUTH LYON AREA RECREATION AUTHORITY**

**NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2024**

**NOTE 4 - DEPOSITS WITH FINANCIAL INSTITUTIONS (continued)**

The Authority’s investments of \$413,741 held in an external investment pool measure at net asset value per share are Level 2. The valuation method for investments measured at net asset value per share is presented below:

**Investments in Entities that Calculate Net Asset Value per Share**

The Authority holds investments through the Oakland County Local Government Investment Pool. These investments are measured at NAVE per share (or its equivalent). The Oakland County Local Government Investment Pool invests in U.S. Treasury obligations, federal agency obligations of the U.S. government, high-grade commercial paper (rate “A1” or better), collateralized bank deposits, repurchase agreements (collateralized at 102 percent by treasuries and agencies) and approved money market funds. The program is designed to meet the need of Michigan public sector investors. It purchases securities that are legally permissible under state statutes and are available for investment by local units located in Oakland county. At of June 30, 2024, there were no unfunded commitments or redemption restrictions on these investments.

**NOTE 5 - DEFINED CONTRIBUTION PENSION PLAN**

The Authority provides pension benefits to all of its full-time employees through a defined contribution plan. In a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings. The Authority contributes 10 percent of full-time employees’ gross earnings. In accordance with these requirements, the Authority contributed \$14,662 during the year ended June 30, 2024. The Authority’s contributions for each employee are fully vested after four (4) years.

**NOTE 6 - GRANTS AND DONATIONS**

During the current year, the Authority received the following cash contributions from both related and unrelated parties, into the General Fund:

City of South Lyon (related party)	\$ 23,218
Charter Township of Green Oak (related party)	5,708
Lyon Township (related party)	20,316
Private donations	<u>14,177</u>
Total	<u>\$ 63,419</u>

**NOTE 7 - SHORT-TERM LEASES / RELATED PARTY**

The Authority also rents recreation facilities from South Lyon Community Education. There are no official terms for this rental agreement, but they have verbally committed to pay 4% of all revenues received from programs held at their facilities. The Authority does not expect the terms of this agreement to change within the next fiscal year.

The Authority considers this a short-term lease, which is defined as a lease with a lease term of 12 months or less. The Authority does not recognize short-term leases on the statement of net position and the lease expense for these short-term leases is recognized on a straight-line basis over the lease term.

**SOUTH LYON AREA RECREATION AUTHORITY**

**NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2024**

**NOTE 8 - SUBSEQUENT EVENTS**

The Authority has evaluated subsequent events through October 23, 2024, the date the financial statements were available to be issued.

The Authority signed a two year lease agreement commencing November 1, 2024 for office space at 10083 Colonial Industrial Drive with SDLS Properties, LLC. Rent of \$3,000 will be due on the first of each month during the lease term.

The Authority has determined that the Authority does not have any other material recognizable or unrecognizable event.

**NOTE 9 - RECENTLY IMPLEMENTED GASB PRONOUNCEMENTS**

In June 2022, the Governmental Accounting Standards Board issued Statement No. 100, Accounting Changes and Error Corrections - an amendment of GASB Statement No. 62. This Statement prescribes the accounting and financial reporting for (1) each type of accounting change and (2) error corrections. This Statement requires that (a) changes in accounting principles and error corrections be reported retroactively by restating prior periods, (b) changes to or within the financial reporting entity be reported by adjusting beginning balances of the current period, and (c) changes in accounting estimates be reported prospectively by recognizing the change in the current period. The Authority adopted this standard for the year ending June 30, 2024 and adoption did not have a significant impact on the financial statements.

**NOTE 10 - UPCOMING GASB PRONOUNCEMENTS**

In June 2022, the Governmental Accounting Standards Board (GASB) issued Statement No. 101, Compensated Absences, which updates the recognition and measurement guidance for compensated absences under a unified model. This Statement requires that liabilities for compensated absences be recognized for leave that has not been used and leave that has been used but not yet paid in cash or settled through noncash means and establishes guidance for measuring a liability for leave that has not been used. It also updates disclosure requirements for compensated absences. The provisions of this Statement are effective for the Authority's financial statements for the year ending June 30, 2025. The Authority is currently evaluating the impact this standard will have on its financial statements.

In April 2024, the GASB issued Statement No. 103, Financial Reporting Model Improvements. This Statement established new accounting and financial reporting requirements – or modifies existing requirements – related to management's discussion and analysis (MD&A), unusual or infrequent items, presentation of the proprietary fund statement of revenues, expenses and changes in fund position, information about major component units, and budgetary comparison information. The Authority is currently evaluating the impact this standard will have on the financial statements when it is adopted during fiscal year 2026.

**REQUIRED SUPPLEMENTARY INFORMATION**

**SOUTH LYON AREA RECREATION AUTHORITY**

**GENERAL FUND**

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2024**

	<u>Budget Amount</u>		<u>Actual</u>	<b>Variance with Final Budget Favorable (Unfavorable)</b>
	<u>Original</u>	<u>Final</u>		<u>(Unfavorable)</u>
<b>REVENUES</b>				
Member municipality contributions	\$ 49,242	\$ 49,242	\$ 49,242	\$
Charges for services	659,000	659,000	677,139	18,139
Other charges for services	15,000	15,000	16,586	1,586
Donations	10,000	10,000	14,177	4,177
Interest income	10,000	10,000	15,532	5,532
Other	6,500	6,500	10,060	3,560
<b>Total revenues</b>	<u>749,742</u>	<u>749,742</u>	<u>782,736</u>	<u>32,994</u>
<b>EXPENDITURES</b>				
Salaries	303,576	303,576	288,691	14,885
Payroll taxes	23,224	23,224	22,038	1,186
Employee benefits	42,308	42,308	45,873	(3,565)
Insurance	11,330	11,330	11,044	286
Copier expense	750	750	520	230
Recreation/program supplies	28,255	28,255	28,461	(206)
Education and training	2,500	2,500	1,586	914
Operating expenses	25,257	25,257	30,850	(5,593)
Contract services - instructors	151,255	151,255	165,222	(13,967)
Dues and subscriptions	2,400	2,400	3,120	(720)
Rent/short-term leases	20,000	20,000	21,326	(1,326)
Rent/long-term leases	66,192	66,192	49,287	16,905
Small equipment	500	500	500	
Office supplies	2,000	2,000	2,137	(137)
Community promotions	1,500	1,500	2,324	(824)
Bank fees	16,000	16,000	20,575	(4,575)
Postage	500	500	266	234
Professional services	14,624	14,624	14,481	143
Printing and publishing	680	680	2	678
Interest expense	500	500	0	500
Telephone	5,500	5,500	6,406	(906)
Computer expenditures	17,165	17,165	23,749	(6,584)
Mileage expense	1,500	1,500	1,512	(12)
Miscellaneous expense	1,700	1,700	839	861
<b>Total expenditures</b>	<u>739,216</u>	<u>739,216</u>	<u>740,809</u>	<u>(1,593)</u>
<b>Net change in fund balance</b>	10,526	10,526	41,927	31,401
<b>FUND BALANCE, JULY 1, 2023</b>	<u>700,897</u>	<u>700,897</u>	<u>700,897</u>	
<b>FUND BALANCE, JUNE 30, 2024</b>	<u>\$ 711,423</u>	<u>\$ 711,423</u>	<u>\$ 742,824</u>	<u>\$ 31,401</u>



**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**

**SOUTH LYON AREA RECREATION AUTHORITY**

**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE YEAR ENDED JUNE 30, 2024**

**NOTE - BUDGETARY INFORMATION**

There were several areas where the expenditures exceeded appropriations in the General Fund and Capital Fund:

<b>General Fund</b>	<u>Final Budget</u>	<u>Actual Expenditures</u>	<u>Variance (Unfavorable)</u>
Employee benefits	\$ 42,308	\$ 45,873	\$ (3,565)
Recreation/program supplies	28,255	28,461	(206)
Operating expenses	25,257	30,850	(5,593)
Contract services - instructors	151,255	165,222	(13,967)
Dues and subscriptions	2,400	3,120	(720)
Rent/short-term leases	20,000	21,326	(1,326)
Office supplies	2,000	2,137	(137)
Community promotions	1,500	2,324	(824)
Bank fees	16,000	20,575	(4,575)
Telephone	5,500	6,406	(906)
Computer expenditures	17,165	23,749	(6,584)
Mileage expense	1,500	1,512	(12)
	<hr/>	<hr/>	<hr/>
Total	\$ 313,140	\$ 351,555	\$ (38,415)

**SUPPLEMENTARY INFORMATION**

## **COMBINING FINANCIAL STATEMENTS**

**SOUTH LYON AREA RECREATION AUTHORITY**  
**COMBINING BALANCE SHEETS**  
**FUNDS INCLUDED IN GASB 54 CONSOLIDATION**  
**JUNE 30, 2024**

	<b>General Fund Pre GASB 54 Consolidation</b>	<b>Capital Fund</b>	<b>Totals Restated General Fund</b>
<b>ASSETS</b>			
Cash and investments	\$ 343,740	\$ 610,530	\$ 954,270
Interest receivable		900	900
Prepaid expenses	17,952		17,952
<b>Total assets</b>	<b>\$ 361,692</b>	<b>\$ 611,430</b>	<b>\$ 973,122</b>
<b>LIABILITIES</b>			
Accounts payable	\$ 23,554	\$	\$ 23,554
Accrued payroll	22,243		22,243
Unearned revenue	184,501		184,501
<b>Total liabilities</b>	<b>230,298</b>		<b>230,298</b>
<b>FUND BALANCE</b>			
Non-spendable	17,952		17,952
Committed			
Capital improvement		611,430	611,430
Unassigned	113,442		113,442
<b>Total fund balance</b>	<b>131,394</b>	<b>611,430</b>	<b>742,824</b>
<b>Total liabilities and fund balance</b>	<b>\$ 361,692</b>	<b>\$ 611,430</b>	<b>\$ 973,122</b>

**SOUTH LYON AREA RECREATION AUTHORITY**

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCES  
FUNDS INCLUDED IN GASB 54 CONSOLIDATION  
FOR THE YEAR ENDED JUNE 30, 2024**

	General		Totals
	Fund		Restated
	Pre GASB 54	Capital	General
	Consolidation	Fund	Fund
<b>REVENUES</b>			
Member municipality contributions	\$ 49,242	\$	\$ 49,242
Charges for services	677,139		677,139
Other charges for services	16,586		16,586
Donations	14,177		14,177
Interest income		15,532	15,532
Other	10,060		10,060
<b>Total revenues</b>	<b>767,204</b>	<b>15,532</b>	<b>782,736</b>
<b>EXPENDITURES</b>			
Salaries	288,691		288,691
Payroll taxes	22,038		22,038
Employee benefits	45,873		45,873
Insurance	11,044		11,044
Copier expense	520		520
Recreation/program supplies	28,461		28,461
Education and training	1,586		1,586
Operating expenses	30,850		30,850
Contract services - instructors	165,222		165,222
Dues and subscriptions	3,120		3,120
Rent/short-term leases	21,326		21,326
Rent/long-term leases	49,287		49,287
Small equipment	500		500
Office supplies	2,137		2,137
Community promotions	2,324		2,324
Bank fees	20,502	73	20,575
Postage	266		266
Professional services	14,481		14,481
Printing and publishing	2		2
Telephone	6,406		6,406
Computer expenditures	23,749		23,749
Mileage expense	1,512		1,512
Miscellaneous expense	839		839
<b>Total expenditures</b>	<b>740,736</b>	<b>73</b>	<b>740,809</b>
<b>Net changes in fund balance</b>	<b>26,468</b>	<b>15,459</b>	<b>41,927</b>
<b>FUND BALANCE, JULY 1, 2023</b>	<b>104,926</b>	<b>595,971</b>	<b>700,897</b>
<b>FUND BALANCE, JUNE 30, 2024</b>	<b>\$ 131,394</b>	<b>\$ 611,430</b>	<b>\$ 742,824</b>

**INDIVIDUAL FUNDS**

**GENERAL FUND (PRE GASB 54 RESTATEMENT)**



**SOUTH LYON AREA RECREATION AUTHORITY**

**GENERAL FUND (PRE GASB 54 RESTATEMENT)  
BALANCE SHEET  
JUNE 30, 2024**

**ASSETS**

Cash and investments		\$	343,740
Prepaid expenses			<u>17,952</u>
<b>Total assets</b>		\$	<u><u>361,692</u></u>

**LIABILITIES**

Accounts payable	\$	23,554	
Accrued payroll		22,243	
Unearned revenue		<u>184,501</u>	
<b>Total liabilities</b>	\$	230,298	

**FUND BALANCE**

			<u>131,394</u>
<b>Total liabilities and fund balance</b>	\$		<u><u>361,692</u></u>

**SOUTH LYON AREA RECREATION AUTHORITY**

**GENERAL FUND (PRE GASB 54 RESTATEMENT)  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2024**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b>REVENUES</b>			
Member municipality contributions	\$ 49,242	\$ 49,242	\$
Charges for services	659,000	677,139	18,139
Other charges for services	15,000	16,586	1,586
Donations	10,000	14,177	4,177
Other	6,500	10,060	3,560
<b>Total revenues</b>	<u>739,742</u>	<u>767,204</u>	<u>27,462</u>
<b>EXPENDITURES</b>			
Salaries	303,576	288,691	14,885
Payroll taxes	23,224	22,038	1,186
Employee benefits	42,308	45,873	(3,565)
Insurance	11,330	11,044	286
Copier expense	750	520	230
Recreation/program supplies	28,255	28,461	(206)
Education and training	2,500	1,586	914
Operating expense	25,257	30,850	(5,593)
Contract services - instructors	151,255	165,222	(13,967)
Dues and subscriptions	2,400	3,120	(720)
Rent/short-term leases	20,000	21,326	(1,326)
Rent/long-term leases	66,192	49,287	16,905
Small equipment	500	500	
Office supplies	2,000	2,137	(137)
Community promotions	1,500	2,324	(824)
Bank fees	16,000	20,502	(4,502)
Postage	500	266	234
Professional services	14,624	14,481	143
Printing and publishing	680	2	678
Interest expense	500		500
Telephone	5,500	6,406	(906)
Computer expenditures	17,165	23,749	(6,584)
Mileage expense	1,500	1,512	(12)
Miscellaneous expense	1,700	839	861
<b>Total expenditures</b>	<u>739,216</u>	<u>740,736</u>	<u>(1,520)</u>
<b>Excess revenues over expenditures</b>	526	26,468	25,942
<b>Net changes in fund balance</b>	526	26,468	25,942
<b>FUND BALANCE, JULY 1, 2023</b>	<u>104,926</u>	<u>104,926</u>	
<b>FUND BALANCE, JUNE 30, 2024</b>	<u>\$ 105,452</u>	<u>\$ 131,394</u>	<u>\$ 25,942</u>

This supplementary information shows the General Fund prior to the implementation of GASB 54, and as such does not present the results on the basis of generally accepted accounting principles but is presented solely for supplemental information.

**CAPITAL FUND (PRE GASB 54 RESTATEMENT)**

**SOUTH LYON AREA RECREATION AUTHORITY**

**CAPITAL FUND (PRE GASB 54 RESTATEMENT)  
BALANCE SHEET  
JUNE 30, 2024**

<b>ASSETS</b>	
Cash and investments	\$ 610,530
Interest receivable	<u>900</u>
<b>Total assets</b>	<u>\$ 611,430</u>
<b>FUND BALANCE</b>	<u>\$ 611,430</u>

This supplementary information shows the Capital Fund prior to the implementation of GASB 54, and as such does not present the results on the basis of generally accepted accounting principles but is presented solely for supplemental information.

**SOUTH LYON AREA RECREATION AUTHORITY**

**CAPITAL FUND (PRE GASB 54 RESTATEMENT)**

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2024**

	<b>Budget</b>	<b>Actual</b>	<b>Variance Favorable (Unfavorable)</b>
<b>REVENUES</b>			
Interest income	\$ 10,000	\$ 15,532	\$ 5,532
<b>Expenses</b>			
Bank fees		73	(73)
<b>Net changes in fund balance</b>	10,000	15,459	5,459
<b>FUND BALANCE, JULY 1, 2023</b>	595,971	595,971	
<b>FUND BALANCE, JUNE 30, 2024</b>	\$ 605,971	\$ 611,430	\$ 5,459

This supplementary information shows the Capital Fund prior to the implementation of GASB 54, and as such does not present the results on the basis of generally accepted accounting principles but is presented solely for supplemental information.