

INDEPENDENT AUDITORS' COMMUNICATION WITH THOSE CHARGED WITH GOVERNANCE

May 30, 2025

Board of Commissioners
Oakland County Zoological Authority
Oakland County, Michigan

We have audited the financial statements of the governmental activities and the major fund of the ***Oakland County Zoological Authority*** (the "Authority"), as of and for the year ended November 30, 2024, and have issued our report thereon dated May 30, 2025. Professional standards require that we advise you of the following matters relating to our audit.

Our Responsibility in Relation to the Financial Statement Audit

As communicated in our engagement letter dated September 17, 2024, our responsibility, as described by professional standards, is to form and express opinions about whether the financial statements that have been prepared by management with your oversight are fairly presented, in all material respects, in conformity with accounting principles generally accepted in the United States of America. Our audit of the financial statements does not relieve you or management of your respective responsibilities.

Our responsibility, as prescribed by professional standards, is to plan and perform our audit to obtain reasonable, rather than absolute, assurance about whether the financial statements are free of material misstatement. An audit of financial statements includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control over financial reporting. Accordingly, as part of our audit, we considered the internal control of the Authority solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

We are also responsible for communicating significant matters related to the audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures for the purpose of identifying other matters to communicate to you.

Planned Scope and Timing of the Audit

We performed the audit according to the planned scope and timing previously communicated to you in our engagement letter.

Compliance with All Ethics Requirements Regarding Independence

The engagement team, others in our firm, as appropriate, and our firm has complied with all relevant ethical requirements regarding independence.

Qualitative Aspects of the Authority's Significant Accounting Practices

Significant Accounting Policies

Management has the responsibility to select and use appropriate accounting policies. A summary of the significant accounting policies adopted by the Authority is included in Note 1 to the financial statements.

There have been no initial selections of accounting policies and no changes in significant accounting policies or their application during the year.

No matters have come to our attention that would require us, under professional standards, to inform you about (1) the methods used to account for significant unusual transactions and (2) the effect of significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.

Significant Accounting Estimates

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's current judgments. Those judgments are normally based on knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ markedly from management's current judgments.

The Authority had no sensitive accounting estimates affecting its financial statements.

Significant Difficulties Encountered During the Audit

We encountered no significant difficulties in dealing with management relating to the performance of the audit.

Uncorrected and Corrected Misstatements

For purposes of this communication, professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that we believe are trivial, and communicate them to the appropriate level of management. Further, professional standards require us to also communicate the effect of uncorrected misstatements related to prior periods on the relevant classes of transactions, account balances or disclosures, and the financial statements as a whole and each applicable opinion unit. In addition, professional standards require us to communicate to you all material, corrected misstatements that were brought to the attention of management as a result of our audit procedures. We did not identify any misstatements during our audit.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter, which could be significant to the Authority's financial statements or the auditors' report. No such disagreements arose during the course of the audit.

Representations Requested from Management

We have requested certain written representations from management, which are included in Attachment B to this letter.

Management's Consultations with Other Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters. Management informed us that, and to our knowledge, there were no consultations with other accountants regarding auditing and accounting matters.

Other Significant Matters, Findings, or Issues

In the normal course of our professional association with the Authority, we generally discuss a variety of matters, including the application of accounting principles and auditing standards, operating and regulatory conditions affecting the entity, and operational plans and strategies that may affect the risks of material misstatement. None of the matters discussed resulted in a condition to our retention as the Authority's auditors.

Upcoming Changes in Accounting Standards

Generally accepted accounting principles (GAAP) are continually changing in order to promote the usability and enhance the applicability of information included in external financial reporting. While it would not be practical to include an in-depth discussion of every upcoming change in professional standards, Attachment A to this letter contains a brief overview of recent pronouncements of the Governmental Accounting Standards Board (GASB) and their related effective dates. Management is responsible for reviewing these standards, determining their applicability, and implementing them in future accounting periods.

This information is intended solely for the use of the governing body and management of the ***Oakland County Zoological Authority*** and is not intended to be and should not be used by anyone other than these specified parties.

Rehmann Johnson LLC

OAKLAND COUNTY ZOOLOGICAL AUTHORITY

■ Attachment A – Upcoming Changes in Accounting Standards / Regulations

For the November 30, 2024 Audit

The following pronouncements of the Governmental Accounting Standards Board (GASB) have been released recently and may be applicable to the Authority in the near future. We encourage management to review the following information and determine which standard(s) may be applicable to the Authority. For the complete text of these and other GASB standards, visit www.gasb.org and click on the “Standards & Guidance” tab. If you have questions regarding the applicability, timing, or implementation approach for any of these standards, please contact your audit team.

GASB 101 ■ Compensated Absences

Effective 12/15/2024 (your FY 2025)

This standard revises the liability governments record for compensated absences payable to include any sick, vacation, personal time, or other PTO reasonably expected to be used by employees or paid out to them at termination.

GASB 102 ■ Certain Risk Disclosures

Effective 06/15/2025 (your FY 2025)

This standard requires governments to disclose essential information about risks related to vulnerabilities due to certain concentrations or constraints.

GASB 103 ■ Financial Reporting Model Improvements

Effective 06/15/2026 (your FY 2026)

This standard establishes new accounting and financial reporting requirements—or modifies existing requirements—related to the following: a. management’s discussion and analysis (MD&A), b. unusual or infrequent items, c. presentation of the proprietary fund statement of revenues, expenses, and changes in fund net position, d. information about major component units in basic financial statements, e. budgetary comparison information, and f. financial trends information in the statistical section.

GASB 104 ■ Disclosure of Certain Capital Assets

Effective 06/15/2026 (your FY 2026)

This standard requires certain types of capital assets to be disclosed separately in the capital assets note disclosures, requires certain intangible assets to be disclosed separately by major class, and requires additional disclosures for capital assets held for sale.

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OAKLAND COUNTY ZOOLOGICAL AUTHORITY

Attachment B – Management Representations

For the November 30, 2024 Audit

The following pages contain the written representations that we requested from management.



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Pontiac, MI 48341-0479
(248) 858-0611
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Robert Wittenberg, Treasurer

Jody Weissler DeFoe, Chief Deputy
Treasurer

May 30, 2025

Rehmann Robson
675 Robinson Road
Jackson, Michigan 49203

This representation letter is provided in connection with your audit of the financial statements of the governmental activities and the major fund of **Oakland County Zoological Authority** (the "Authority"), as of and for the year ended November 30, 2024, and the related notes to the financial statements, for the purpose of expressing opinions on whether the basic financial statements present fairly, in all material respects, the financial position, results of operations, and the budgetary comparison for the general fund of the Authority in conformity with accounting principles generally accepted for governments in the United States of America (U.S. GAAP).

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in the light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement.

We confirm that, having made such inquiries as we considered necessary for the purpose of appropriately informing ourselves as of May 30, 2025:

Financial Statements

1. We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter dated September 17, 2024, for the preparation and fair presentation of the financial statements of the various opinion units referred to above in accordance with U.S. GAAP.
2. The financial statements referred to above have been fairly presented in accordance with U.S. GAAP, and include all properly classified funds, required supplementary information, and notes to the basic financial statements.
3. With respect to the nonattest services provided, which include any assistance you provided in drafting the financial statements and related notes, proposing standard, adjusting or conversion journal entries, we have performed the following:
 - a. Made all management decisions and performed all management functions;
 - b. Assigned a competent individual to oversee the services;
 - c. Evaluated the adequacy of the services performed;
 - d. Evaluated and accepted responsibility for the result of the service performed; and
 - e. Established and maintained internal controls, including monitoring ongoing activities.

4. We acknowledge our responsibility for 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.
5. We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.
6. Significant assumptions used by us in making accounting estimates, including those measured at fair value, are reasonable.
7. Related party relationships and transactions have been appropriately accounted for and disclosed in accordance with the requirements of U.S. GAAP. For the purposes of this letter, related parties mean members of the governing body; board members; administrative officials; immediate families of administrative officials, board members, and members of the governing body; and any companies affiliated with or owned by such individuals.
8. All events subsequent to the date of the financial statements and for which U.S. GAAP requires adjustment or disclosure have been adjusted or disclosed.
9. The effects of all known actual or possible litigation and claims have been accounted for and disclosed in accordance with U.S. GAAP.
10. With regard to items reported at fair value:
 - a. The underlying assumptions are reasonable, and they appropriately reflect management's intent and ability to carry out its stated courses of action.
 - b. The measurement methods and related assumptions used in determining fair value are appropriate in the circumstances and have been consistently applied.
 - c. The disclosures related to fair values are complete, adequate, and in conformity with U.S. GAAP.
 - d. There are no subsequent events that require adjustments to the fair value measurements and disclosures included in the financial statements.
11. All funds and activities are properly classified.
12. All funds that meet the quantitative GASB criteria for presentation as major are identified and presented as such and all other funds that are presented as major are considered important to financial statement users.
13. All components of net position and fund balance classifications have been properly reported.
14. All revenues within the statement of activities have been properly classified as program revenues, general revenues, contributions to term or permanent endowments, or contributions to permanent fund principal.
15. All expenses have been properly classified in or allocated to functions and programs in the statement of activities, and allocations, if any, have been made on a reasonable basis.
16. Deposit and investment risks have been properly and fully disclosed.
17. All required supplementary information is measured and presented within the prescribed guidelines.

Information Provided

18. We have provided you with:
 - a. Access to all information, of which we are aware that is relevant to the preparation and fair presentation of the financial statements of the various opinion units referred to above, such as records, documentation, meeting minutes, and other matters;
 - b. Additional information that you have requested from us for the purpose of the audit; and
 - c. Unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence.
19. All transactions have been recorded in the accounting records and are reflected in the financial statements.

20. We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
21. We have no knowledge of any fraud or suspected fraud that affects the entity and involves:
 - a. Management;
 - b. Employees who have significant roles in internal control; or
 - c. Others where the fraud could have a material effect on the financial statements.
22. We have no knowledge of any instances, that have occurred or are likely to have occurred, of fraud and noncompliance with provisions of laws and regulations that have a material effect on the financial statements or other financial data significant to the audit objectives, and any other instances that warrant the attention of those charged with governance, whether communicated by employees, former employees, vendors (contractors), regulators, or others.
23. We have no knowledge of any instances that have occurred or are likely to have occurred, of noncompliance with provisions of contracts and grant agreements that has a material effect on the determination of financial statement amounts or other financial data significant to the audit objectives.
24. We have no knowledge of any instances that have occurred or are likely to have occurred of abuse that could be quantitatively or qualitatively material to the financial statements or other financial data significant to the audit objectives.
25. We have a process to track the status of audit findings and recommendations.
26. We have identified for you all previous audits, attestation engagements, and other studies related to the audit objectives and whether related recommendations have been implemented.
27. We are not aware of any pending or threatened litigation and claims whose effects should be considered when preparing the financial statements, and we have not consulted legal counsel concerning litigation or claims.
28. We have disclosed to you the identity of the entity's related parties and all the related party relationships and transactions of which we are aware.
29. There have been no communications from regulatory agencies concerning noncompliance with or deficiencies in accounting, internal control, or financial reporting practices.
30. The Authority has no plans or intentions that may materially affect the carrying value or classification of assets and liabilities.
31. We have disclosed to you all guarantees, whether written or oral, under which the Authority is contingently liable.
32. We have identified and disclosed to you the laws, regulations, and provisions of contracts and grant agreements that could have a direct and material effect on financial statement amounts, including legal and contractual provisions for reporting specific activities in separate funds.
33. There are no:
 - a. Violations or possible violations of laws or regulations, or provisions of contracts or grant agreements whose effects should be considered for disclosure in the financial statements or as a basis for recording a loss contingency, including applicable budget laws and regulations.
 - b. Unasserted claims or assessments that our lawyer has advised are probable of assertion and must be disclosed in accordance with GASB Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*.
 - c. Other liabilities or gain or loss contingencies that are required to be accrued or disclosed by GASB Statement No. 62.
34. The Authority has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset or future revenue been pledged as collateral, except as disclosed to you.

35. We have complied with all aspects of grant agreements and other contractual agreements that would have a material effect on the financial statements in the event of noncompliance.
36. We have disclosed to you all significant estimates and material concentrations known to management that are required to be disclosed in accordance with GASB Statement No. 62. Significant estimates are estimates at the balance sheet date that could change materially within the next year. Concentrations refer to volumes of business, revenues, available sources of supply, or markets or geographic areas for which events could occur that would significantly disrupt normal finances within the next year.

Required Supplementary Information

37. With respect to the required supplementary information accompanying the financial statements:
 - a. We acknowledge our responsibility for the presentation of the required supplementary information in accordance with accounting principles generally accepted in the United States of America.
 - b. We believe the required supplementary information, including its form and content, is measured and fairly presented in accordance with accounting principles generally accepted in the United States of America.
 - c. The methods of measurement or presentation have not changed from those used in the prior period.
 - d. We believe the significant assumptions or interpretations underlying the measurement or presentation of the required supplementary information, and the basis for our assumptions and interpretations, are reasonable and appropriate in the circumstances.

Signed by:

Jody Weissler DeFoe

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Jody Weissler DeFoe, Chief Deputy Treasurer

DocuSigned by:

Brandon Kolo

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Brandon Kolo, Oakland County Zoological Authority Chairperson

Oakland County Zoological Authority

For the Year Ended
November 30, 2024

Financial
Statements

Rehmann

OAKLAND COUNTY ZOOLOGICAL AUTHORITY

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INDEPENDENT AUDITORS' REPORT

May 30, 2025

Board of Directors
Oakland County Zoological Authority
Oakland County, Michigan

Opinions

We have audited the financial statements of the governmental activities and the major fund of the **Oakland County Zoological Authority** (the "Authority"), as of and for the year ended November 30, 2024, and the related notes to the financial statements, 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 and the major fund of the Authority as of November 30, 2024, and the respective changes in financial position thereof and the budgetary comparison for the general fund 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 Independent Auditors' 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.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

Independent Auditors' Responsibilities 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 auditors' 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, as listed in the table of contents, 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.

A handwritten signature in black ink that reads "Lehmann Lohman LLC". The script is cursive and fluid, with the letters "L" and "L" at the beginning and end being particularly prominent.

OAKLAND COUNTY ZOOLOGICAL AUTHORITY

Management's Discussion and Analysis

This discussion and analysis of the Oakland County Zoological Authority's (the "Authority") financial performance provides an overview of the Authority's financial activities for the fiscal year ended November 30, 2024. Please read it in conjunction with the Authority's financial statements.

Overview of the Financial Statements

This discussion and analysis is intended to provide a basis of understanding the Authority's basic financial statements. The government-wide and fund financial statements are presented in a single column in the basic financial statements as the Authority has no reconciling items between its fund balance for governmental fund and net position for governmental activities.

The basic financial statements are comprised of the *Statement of Net Position and Governmental Fund Balance Sheet*, the *Statement of Activities and Governmental Fund Revenues, Expenditures and Changes in Fund Balance*, the *Statement of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual – General Fund*, and the *Notes to Financial Statements*.

The *Statement of Net Position and Governmental Fund Balance Sheet* presents information on all of the Authority's assets and liabilities, with the difference reported as fund balance/net position. Over time, increases or decreases in fund balance/net position may serve as a useful indicator of whether the financial position of the Authority is improving or deteriorating.

The *Statement of Activities and Statement of Governmental Fund Revenues, Expenditures and Changes in Fund Balance* presents information showing how the Authority's fund balance/net position changed during the most recent fiscal year.

The *Statement of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual – General Fund* presents information showing the comparison of the Authority's actual revenues and expenditures to what was budgeted.

The *Notes to Financial Statements* provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found after the basic financial statement section of this report.

OAKLAND COUNTY ZOOLOGICAL AUTHORITY

Management's Discussion and Analysis

Condensed Financial Information

Net position may serve over time as a useful indicator of a government's financial position. The following table shows key financial information in a condensed format.

	Net Position	
	2024	2023
Assets		
Cash and cash equivalents	\$ 50,220	\$ 186,071
Liabilities		
Due to Detroit Zoological Society	50,220	186,071
Net position - unrestricted	<u>\$ -</u>	<u>\$ -</u>
	Change in Net Position	
	2024	2023
Revenues		
General revenues:		
Property taxes	\$ 6,744,642	\$ 6,513,085
State revenue	77,972	70,925
Interest income	50,185	28,812
Total revenues	<u>6,872,799</u>	<u>6,612,822</u>
Expenses		
Distributions to the Detroit Zoological Society	6,856,674	6,601,806
Administrative	16,125	11,016
Total expenses	<u>6,872,799</u>	<u>6,612,822</u>
Change in net position	-	-
Net position, beginning of year	<u>-</u>	<u>-</u>
Net position, end of year	<u>\$ -</u>	<u>\$ -</u>

The Authority distributes all of its revenue to the Detroit Zoological Society with the exception of amounts withheld at the beginning of the year to pay administrative costs. At the end of the year, all cash on hand is reported as payable to the Detroit Zoological Society.

OAKLAND COUNTY ZOOLOGICAL AUTHORITY

Management's Discussion and Analysis

General Fund Budgetary Highlights

The original budget was amended during the year. Budgetary variances when compared to the amended budget are as follows:

- Net property taxes in excess of distributions withheld for administrative expenses were over budget by \$51,020, primarily due to interest income.
- Interest income was over budget by \$50,185, primarily due to interest income is always budgeted at zero.
- Expenditures overall were less than budget by \$835, primarily due to BOC administrative service fees did not meet budgeted expense for the year.

Contacting the Authority's Management

This financial report is intended solely to provide a general overview of the Authority's finances and to show the Authority's accountability for the money it receives. If you have any questions about this report or need additional information, we welcome you to contact the Authority's administration.

BASIC FINANCIAL STATEMENTS

OAKLAND COUNTY ZOOLOGICAL AUTHORITY

Statement of Net Position and Governmental Fund Balance Sheet

November 30, 2024

	Governmental Activities
Assets	
Cash and cash equivalents	\$ 50,220
Liabilities	
Due to Detroit Zoological Society	<u>50,220</u>
Net position/fund balance	<u><u>\$ -</u></u>

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

OAKLAND COUNTY ZOOLOGICAL AUTHORITY

Statement of Activities and

Statement of Governmental Fund Revenues, Expenditures and Changes in Fund Balance
For the Year Ended November 30, 2024

Revenues

Property taxes	\$ 6,744,642
State revenue - local community stabilization authority revenue sharing	77,972
Interest income	<u>50,185</u>

Total revenues

6,872,799

Expenditures/expenses

Current:

Distributions to the Detroit Zoological Society	6,856,674
Audit	7,000
Accounting	2,500
Legal	5,356
Other professional services	<u>1,269</u>

Total expenditures/expenses

6,872,799

Changes in fund balance/net position

-

Fund balance/net position, beginning of year

-

Fund balance/net position, end of year

\$ -

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

OAKLAND COUNTY ZOOLOGICAL AUTHORITY

Statement of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual - General Fund

For the Year Ended November 30, 2024

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
Revenues				
Property taxes	\$ 6,744,642	\$ 6,744,642	\$ 6,744,642	\$ -
State revenue - local community stabilization authority state shared revenue	77,972	77,972	77,972	-
Net property taxes in excess of distributions withheld for administrative expenses	(6,809,314)	(6,805,654)	(6,856,674)	51,020
Interest income	-	-	50,185	50,185
Total revenues	<u>13,300</u>	<u>16,960</u>	<u>16,125</u>	<u>(835)</u>
Expenditures				
Current:				
Audit	7,500	7,500	7,000	(500)
Accounting	2,500	2,500	2,500	-
BOC administrative services	2,500	2,500	1,269	(1,231)
Legal	-	3,660	5,356	1,696
Miscellaneous	800	800	-	(800)
Total expenditures	<u>13,300</u>	<u>16,960</u>	<u>16,125</u>	<u>(835)</u>
Net change in fund balance	-	-	-	-
Fund balance, beginning of year	-	-	-	-
Fund balance, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

NOTES TO FINANCIAL STATEMENTS

OAKLAND COUNTY ZOOLOGICAL AUTHORITY

Notes to Financial Statements

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

These financial statements present the activities of the Oakland County Zoological Authority (the "Authority"). the Authority was established based on a resolution adopted on May 14, 2008 and is overseen by the appointed members of the board. Based on the significance of any operational or financial relationships with the Authority, there are no component units to be included in the Authority's financial report.

All of the activities of the Authority are accounted for in a single governmental fund. The government-wide and fund financial statements are presented in a single column in the basic financial statements as the Authority has no reconciling items between its fund balance for the governmental fund and net position for governmental activities.

Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the primary government. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support. The Authority had no business-type activities during the year.

The statement of activities demonstrates the degree to which the *direct expenses* of a given function or segment are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied.

OAKLAND COUNTY ZOOLOGICAL AUTHORITY

Notes to Financial Statements

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting.

Property taxes received and interest income earned within the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the Authority.

The financial activities of the general fund are generally limited to the collection of amounts that are subsequently passed through to the Detroit Zoological Society; however, the general fund is also responsible for the payment of various operating expenses of the Authority and, therefore, is classified as a governmental fund.

Assets, Liabilities, and Equity

Cash and Cash Equivalents

The Authority's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition.

Property Taxes

Property taxes are levied on each December 1 on the taxable valuation of property as of the preceding December 31. Taxes are considered delinquent on March 1 of the following year, at which time penalties and interest are assessed.

The Authority is authorized to levy a tax of no more than 0.1 mills, permanently reduced to 0.0945 mills by the Headlee Amendment, on real and personal property in Oakland County for a period of 10 years, from 2019 through 2028. The related property taxes are billed by the cities, villages, and townships (CVTs) of Oakland County, Michigan on December 1. The CVTs remit the appropriate tax collections to Oakland County, Michigan, which, in turn, remits the taxes collected on the millage to the Oakland County Zoological Authority.

OAKLAND COUNTY ZOOLOGICAL AUTHORITY

Notes to Financial Statements

2. BUDGETARY INFORMATION

Budgets are adopted annually. The general fund is under formal budgetary control. Budgets shown in the financial statements are adopted on a basis consistent with generally accepted accounting principles (GAAP), except that property tax revenue of \$6,744,642 and State revenue of \$70,925 were budgeted, net of distributions, to the Detroit Zoological Authority of \$6,798,607. The budget for the general fund is adopted on a line-item basis; expenditures at this level in excess of final budgeted amounts are a violation of Michigan law.

During the year ended November 30, 2024, the Authority incurred expenditures in the general fund which were in excess of the amounts appropriated, as follows:

	Total Appropriations	Actual Expenditures	Budget Variance
Current - Legal	\$ 3,660	\$ 5,356	\$ 1,696

3. DEPOSITS

The Authority, along with the various other funds and component units of Oakland County, Michigan participates in the County's pooled cash management accounts. Information regarding this cash management pool is presented in the County's annual comprehensive financial report.

State statutes authorize the government to deposit in the accounts of federally insured banks, credit unions and savings and loan associations and to invest in obligations of the United States, certain commercial paper, repurchase agreements, banker acceptances and mutual funds composed of otherwise legal investments.

Custodial Credit Risk – Deposits. Custodial credit risk is the risk that, in the event of a bank failure, the Authority's deposits may not be returned to it. The Authority does not have a deposit policy for custodial credit risk. As discussed above, the Authority's cash is pooled with the County; therefore, the amount that was uninsured and uncollateralized cannot be determined.

4. AUTHORITY OPERATIONS

Based on the authorization of the electors of Oakland County, Michigan at the August 2, 2016 primary election, the Authority is authorized to levy a tax of no more than 0.1 mills on real and personal property for a period of 10 years, from 2019 through 2028, to provide revenue for the continuation of zoological services to benefit the residents of Oakland County. All property tax collections received by the Authority are remitted to the Detroit Zoological Society, with the exception of amounts withheld to pay for operating expenditures.

OAKLAND COUNTY ZOOLOGICAL AUTHORITY

Notes to Financial Statements

5. TAX ABATEMENTS

The Authority received reduced property tax revenue during the year as a result of personal property tax (PA 328) and certain tax abatement programs, including industrial facilities tax exemptions and Brownfield redevelopment agreements, entered into by certain participating local units of government in the County. Personal property tax exemptions are intended to promote purchase of new equipment. Industrial facility exemptions are intended to promote construction of new industrial facilities or to rehabilitate historical facilities. Under the program, local units of government grant reductions of 50 percent of the property tax bill for new property (or it can freeze taxable values for rehabilitation properties) for up to 10 years. Brownfield redevelopment agreements are intended to promote environmental remediation of eligible properties.

For the fiscal year ended November 30, 2024, as a result of participating local units of government entering into certain tax abatement programs, the Authority abated \$88,629 under these programs. There are no provisions to recapture taxes; however, certain abatements may be eliminated if taxes are not paid timely.

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Local Government Electronic Filing System

Michigan Department of Treasury

Michigan Department of Treasury
4100(05-18)

Auditing Procedures Report

Issued under Public Act 2 of 1996, as amended

Local Unit Basic Information

County:	OAKLAND	Type:	Authority	Local Unit Name:	Oakland County Zoological Authority
Municode:	63-7-610	FY Ending:	2024	Year End Month:	11
Form ID: 136053			Instructions	FAQs	

Please do not use the browser refresh, back or forward buttons as your data may not be saved.

Attachment	Filename	Description
AUDITRPT	Oakland County Zoological Authority 11 30 24-SOM.pdf	Please attach Audit Report

Successful submission **May 30 2025 4:25PM**.
Confirmation number: 136053
Please print for your records.



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