



## FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2024



Vredeveld Haefner LLC  
CPAs and Consultants

# VILLAGE OF SUTTONS BAY

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## Vredeveld Haefner LLC

CPAs and Consultants  
10302 20<sup>th</sup> Avenue  
Grand Rapids, MI 49534  
Fax (616) 828-0307

Douglas J. Vredeveld, CPA  
(616) 446-7474  
Michael J. Vredeveld, CPA  
(616) 648-8447

### INDEPENDENT AUDITORS' REPORT

May 16, 2025

Village Council  
Village of Suttons Bay, Michigan

#### ***Opinions***

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the Village of Suttons Bay, Michigan, (the Village), as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise the Village's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the Village, as of December 31, 2024, and the respective changes in financial position and, where applicable, cash flows 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. 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 Village 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 these 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 Village'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 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 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 generally accepted auditing standards 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 generally accepted auditing standards, 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 Village'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 Village's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged in 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 on pages 3 through 8 and the information on pages 33 through 35 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 Village's basic financial statements. The 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 individual fund financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

*Uredaxeld Haefner LLC*

## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

# Village of Suttons Bay

## Management's Discussion and Analysis

As management of the Village of Suttons Bay (the Village), we offer readers of the Village's financial statements this narrative overview and analysis of the financial activities of the Village for the year ended December 31, 2024. We encourage readers to consider the information presented here in conjunction with additional information that is furnished in the financial statements and notes to the financial statements.

### Financial Highlights

- Installed water bottle filling station at North Park.
- Installed ADA pedestrian pathway at Sutton Park.
- Pulverized, graded, and paved Jefferson Street.
- Improved culvert and ditch and paved South Shore Dr.
- Replaced a well pump.
- PLC updates at the WWTP took place which will continue into 2025.
- Began connecting the Harbor Heights development to the utility systems.

### Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the Village of Suttons Bay's financial statements. The Village's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements.

**Government-wide financial statements.** The *government-wide financial statements* are designed to provide readers with a broad overview of the Village's finances, in a manner similar to a private-sector business.

The *statement of net position* presents information on all of the Village's assets and liabilities, with the difference between the two 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 Village is improving or deteriorating.

The *statement of activities* presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., long-term receivables).

Both of the government-wide financial statements distinguish functions of the Village of Suttons Bay that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the Village include legislative, general government, public safety, public works including major and local street construction and maintenance, recreation and culture, and debt service activities. The business-type activities of the Village include sewer, water, and marina services.

**Fund financial statements.** A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Village of Suttons Bay, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Village can be divided into three categories: governmental funds, proprietary funds and fiduciary funds.

**Governmental funds.** *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The Village maintains four individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for all funds, each of which is considered a major fund.

The Village adopts an annual appropriated budget for its general and special revenue funds. Budgetary comparison statements or schedules have been provided herein to demonstrate compliance with those budgets.

**Proprietary funds.** The Village maintains one type of proprietary fund. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The Village uses enterprise funds to account for its sewer, water, and marina operations.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the sewer, water, and marina operations, each of which are considered to be major funds of the Village.

**Fiduciary fund.** The fiduciary fund is used to account for resources of the employees retirement system held for the benefit of employees of the Village. Fiduciary funds are *not* reflected in the government-wide financial statements because the resources of those funds are *not* available to support the Village's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

**Notes to the financial statements.** The notes provide additional information that is essential to a full understanding of the data provided in 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*. This includes this management discussion and analysis and budget and actual comparisons for major funds.

## Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the Village of Suttons Bay, assets exceeded liabilities by \$15,272,885 at the close of the most recent fiscal year.

A portion of the Village's net position reflects unrestricted net position which is available for future operations while a significant portion of net position is invested in capital assets (e.g., land, buildings and improvements, vehicles, equipment and infrastructure), less any related debt used to acquire those assets that is still outstanding. The Village uses these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. Although the Village's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Following is a summary of net position:

### Summary of Net Position

	Governmental Activities		Business-type Activities		Totals	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
Current and other assets	\$2,332,368	\$2,110,189	\$2,022,771	\$2,154,676	\$4,355,139	\$4,264,865
Capital assets	4,205,557	4,209,762	8,070,218	8,270,010	12,275,775	12,479,772
<b>Total assets</b>	<b>6,537,925</b>	<b>6,319,951</b>	<b>10,092,989</b>	<b>10,424,686</b>	<b>16,630,914</b>	<b>16,744,637</b>
Long-term liabilities	-	-	1,000,000	1,175,000	1,000,000	1,175,000
Other liabilities	148,467	162,761	209,562	433,279	358,029	596,040
<b>Total liabilities</b>	<b>148,467</b>	<b>162,761</b>	<b>1,209,562</b>	<b>1,608,279</b>	<b>1,358,029</b>	<b>1,771,040</b>
Net position						
Net investment in capital						
Assets	4,205,557	4,209,762	6,895,218	6,920,010	11,100,775	11,129,772
Restricted	616,666	480,986	-	-	616,666	480,986
Unrestricted	1,567,235	1,466,442	1,988,209	1,896,397	3,355,444	3,362,839
<b>Total net position</b>	<b>\$6,389,458</b>	<b>\$6,157,190</b>	<b>\$8,883,427</b>	<b>\$8,816,407</b>	<b>\$15,272,885</b>	<b>\$14,973,597</b>

Net position of the Village increased by \$299,288. The governmental activities increase in net position of \$232,268 is primarily due to a timing difference between when capital items are purchased and when depreciation is recorded. The business-type activities increase in net position of \$67,020 was primarily due to a timing difference between when capital items are purchased and when depreciation is recorded.



Following is a summary of activities:

### Summary of Activities

	Governmental Activities		Business-type Activities		Totals	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
<b>Revenue</b>						
Program revenue						
Charges for services	\$126,431	\$118,205	\$1,360,193	\$1,620,894	\$1,486,624	\$1,739,099
Operating grants and Contributions	245,787	227,160	-	-	245,787	227,160
Capital grants and contributions	-	-	-	-	-	-
General revenue						
Property taxes	850,644	808,945	-	-	850,644	808,945
State shared revenues	69,116	69,851	-	-	69,116	69,851
Other	69,928	48,665	100,381	77,703	170,309	126,368
Transfers	8,505	8,505	(8,505)	(8,505)	-	-
<b>Total revenue</b>	<b>1,370,411</b>	<b>1,281,331</b>	<b>1,452,069</b>	<b>1,690,092</b>	<b>2,822,480</b>	<b>2,971,423</b>
<b>Expenses</b>						
Legislative	22,788	19,540	-	-	22,788	19,540
General government	165,841	164,344	-	-	165,841	164,344
Public safety	91,187	88,870	-	-	91,187	88,870
Public works	682,469	726,458	-	-	682,469	726,458
Recreation and culture	175,858	168,673	-	-	175,858	168,673
Interest on long-term debt	-	-	-	-	-	-
Sewer	-	-	608,681	604,172	608,681	604,172
Water	-	-	235,567	227,867	235,567	227,867
Marina	-	-	540,801	560,115	540,801	560,115
<b>Total expenses</b>	<b>1,138,143</b>	<b>1,167,885</b>	<b>1,385,049</b>	<b>1,392,154</b>	<b>2,523,192</b>	<b>2,560,039</b>
Increase in net position	232,268	113,446	67,020	297,938	299,288	411,384
<b>Net position, beginning of year</b>	<b>6,157,190</b>	<b>6,043,744</b>	<b>8,816,407</b>	<b>8,518,469</b>	<b>14,973,597</b>	<b>14,562,213</b>
<b>Net position, end of year</b>	<b>\$6,389,458</b>	<b>\$6,157,190</b>	<b>\$8,883,427</b>	<b>\$8,816,407</b>	<b>\$15,272,885</b>	<b>\$14,973,597</b>

**Governmental Activities.** During the year the Village invested \$682,469 or 60% of governmental activities expenses in public works which includes major and local street operations while general government, public safety, culture and recreation and interest on long-term debt made up the remaining 40% of governmental activities expenses.

**Business-type Activities.** Business-type activities, which include, sewer, water, and marina operations, increased the Village's net position by \$67,020 as described previously.

## Financial Analysis of the Government's Funds

As noted earlier, the Village uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

**Governmental funds.** The focus of the Village's *governmental funds* is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing the Village's financing requirements. In particular, *unassigned fund balance* may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year. As of the end of the current fiscal year, the Village's governmental funds reported combined ending fund balances of \$2,177,139, an increase of \$234,832 in comparison with the prior year. Of the \$2,177,139, \$937,604 is reported in the general fund. The remaining amount of fund balance is reported in various funds as non-spendable, restricted, committed, or assigned for certain uses such as street construction.

The general fund is the chief operating fund of the Village. At the end of the current fiscal year, unassigned fund balance of the general fund was \$846,495. As a measure of the general fund's liquidity, it may be useful to compare unassigned fund balance to total fund expenditures. Unassigned fund balance represents 83% of total general fund expenditures and transfers out. Fund balance of the Village's general fund decreased by \$32,038, primarily due to slightly increased transfers to other funds.

At the end of the current fiscal year, fund balance of the major streets special revenue fund was \$515,832, an increase of \$120,534 primarily due to a transfer of funds from the general fund.

At the end of the current fiscal year, fund balance of the local streets special revenue fund was \$100,834, an increase of \$15,146 primarily due to significant street projects during the year funded by Act 51 revenues and a \$160,000 transfer from the general fund.

At the end of the current fiscal year, fund balance of the property replacement capital projects fund was \$622,869, an increase of \$131,190 primarily due to transfers from other funds.

**Proprietary Funds.** The Village's proprietary funds provide the same type of information found in the government wide financial statements, but in more detail.

Unrestricted net position of the sewer, water, and marina funds at the end of the year amounted to \$361,058, \$553,777, and \$1,073,374, respectively. The sewer fund had a decrease in net position for the year of \$76,398, the water fund had an increase of \$17,044, and the marina fund had an increase of \$126,374. Other factors concerning the finances of these three funds have already been addressed in the discussion of the Village's business-type activities.

## Capital Asset and Debt Administration

**Capital assets.** The Village's investment in capital assets for its governmental and business-type activities as of December 31, 2024, amounted to \$12,275,775 (net of accumulated depreciation).

The Village's capital assets (net of depreciation) are summarized as follows:

Capital Assets			
	Governmental Activities	Business-type Activities	Total
Land	\$1,171,119	\$1,083,886	\$2,255,005
Construction in Progress	4,800	-	4,800
Buildings, equipment and infrastructure	3,029,638	6,986,332	10,015,970
<b>Total</b>	<b>\$4,205,557</b>	<b>\$8,070,218</b>	<b>\$12,275,775</b>

Significant additions during the year included major road projects, purchase of generators and a pick-up truck and minor marina projects. Additional information on the Village of Suttons Bay capital assets can be found in Note 4 of these financial statements.

**Debt.** At the end of the current fiscal year, the Village had total debt outstanding of \$1,175,000 consisting of a sewer bond and a marina bond. Principle payments of \$175,000 were made during the year which were in accordance with the bond payment schedules. Additional information on the Village's long-term debt can be found in Note 5 of these financial statements.

## **Budgetary Highlights**

- The Marina and DDA budgets were increased to start the public restrooms and bathhouse projects which will start in 2025.
- Increased the budget to purchase and install a generator for the DPW building.
- Grants were approved for the public restrooms and marina bathhouse improvements.

## **Economic Factors and Next Year's Budgets and Rates**

The following factors were considered in preparing the Village's budget for the 2025 fiscal year:

- Building new building for public restrooms and marina bathhouse on Front St.
- Repair Elm St. near the south end of the Village.
- Increased water system rates for the first time in over 18 years.
- Electric upgrades for coal dock and pier.
- Engineering for a dock upgrade.

## **Requests for Information**

This financial report is designed to provide a general overview of the Village's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information can be obtained by contacting the Village office at (231) 271-3051.

## **BASIC FINANCIAL STATEMENTS**

# VILLAGE OF SUTTONS BAY

## STATEMENT OF NET POSITION

**DECEMBER 31, 2024**

	Primary Government			Component Unit
	Governmental	Business-Type		Downtown
	<u>Activities</u>	<u>Activities</u>	<u>Total</u>	<u>Development Authority</u>
<b>Assets</b>				
Cash and pooled investments	\$ 2,287,093	\$ 1,961,301	\$ 4,248,394	\$ 203,992
Accounts receivable	9,899	32,785	42,684	19,707
Due from other governments	34,314	-	34,314	-
Inventory	-	28,490	28,490	-
Prepaid items	1,062	195	1,257	3
Capital assets				
Land	1,171,119	1,083,886	2,255,005	-
Construction in progress	4,800	-	4,800	-
Depreciable capital assets, net	3,029,638	6,986,332	10,015,970	-
<b>Total assets</b>	<u>6,537,925</u>	<u>10,092,989</u>	<u>16,630,914</u>	<u>223,702</u>
<b>Liabilities</b>				
Accounts payable	44,047	7,429	51,476	9
Accrued liabilities	14,401	27,133	41,534	124
Unearned revenue	90,019	-	90,019	-
Debt due within one year	-	175,000	175,000	-
Noncurrent liabilities				
Debt due in more than one year	-	1,000,000	1,000,000	-
<b>Total liabilities</b>	<u>148,467</u>	<u>1,209,562</u>	<u>1,358,029</u>	<u>133</u>
<b>Net position</b>				
Net investment in capital assets	4,205,557	6,895,218	11,100,775	-
Restricted for				
Major streets	515,832	-	515,832	-
Local streets	100,834	-	100,834	-
Unrestricted	1,567,235	1,988,209	3,555,444	223,569
<b>Total net position</b>	<u>\$ 6,389,458</u>	<u>\$ 8,883,427</u>	<u>\$ 15,272,885</u>	<u>\$ 223,569</u>

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

# VILLAGE OF SUTTONS BAY

## STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED DECEMBER 31, 2024

<u>Functions/ Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>		<u>Net (Expense) Revenue</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>
<b>Primary government</b>				
Governmental activities				
Legislative	\$ 22,788	\$ -	\$ -	\$ -
General government	165,841	-	7,231	-
Public safety	91,187	-	-	-
Public works	682,469	126,426	238,556	-
Recreation and culture	175,858	5	-	-
Total governmental activities	1,138,143	126,431	245,787	-
Business-type activities				
Sewer	608,681	496,586	-	-
Water	235,567	233,827	-	-
Marina	540,801	629,780	-	-
Total business-type activities	1,385,049	1,360,193	-	-
<b>Total primary government</b>	<b>\$ 2,523,192</b>	<b>\$ 1,486,624</b>	<b>\$ 245,787</b>	<b>\$ -</b>
<b>Component unit</b>				
Downtown Development Authority	\$ 16,721	\$ -	\$ -	\$ -

(Continued)

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

**VILLAGE OF SUTTONS BAY**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED DECEMBER 31, 2024**

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	Downtown Development Authority
<b>Changes in net assets</b>				
<b>Net (expense) revenue</b>	\$ (765,925)	\$ (24,856)	\$ (790,781)	\$ (16,721)
General revenues				
Property taxes	850,644	-	850,644	86,800
State shared revenues	69,116	-	69,116	-
Unrestricted interest income	67,485	99,847	167,332	6,592
Other revenue	2,443	534	2,977	-
Transfers - internal activities	8,505	(8,505)	-	-
Total general revenues	998,193	91,876	1,090,069	93,392
Change in net position	232,268	67,020	299,288	76,671
<b>Net position, beginning of year</b>	6,157,190	8,816,407	14,973,597	146,898
<b>Net position, end of year</b>	<u>\$ 6,389,458</u>	<u>\$ 8,883,427</u>	<u>\$ 15,272,885</u>	<u>\$ 223,569</u>

(Concluded)

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

# VILLAGE OF SUTTONS BAY

## GOVERNMENTAL FUNDS BALANCE SHEET

DECEMBER 31, 2024

	Special Revenue			Capital Projects	
	General	Major Streets	Local Streets	Property Replacement	Total
<b>Assets</b>					
Cash and pooled investments	\$ 1,001,536	\$ 568,289	\$ 95,208	\$ 622,060	\$ 2,287,093
Accounts receivable	9,090	-	-	809	9,899
Due from other governments	11,015	15,369	7,930	-	34,314
Prepaid items	985	39	38	-	1,062
<b>Total assets</b>	<u>\$ 1,022,626</u>	<u>\$ 583,697</u>	<u>\$ 103,176</u>	<u>\$ 622,869</u>	<u>\$ 2,332,368</u>
<b>Liabilities, deferred inflows of resources, and fund balances</b>					
<b>Liabilities</b>					
Accounts payable	\$ 44,047	\$ -	\$ -	\$ -	\$ 44,047
Accrued liabilities	9,613	2,446	2,342	-	14,401
Unearned revenue	24,600	65,419	-	-	90,019
<b>Total liabilities</b>	<u>78,260</u>	<u>67,865</u>	<u>2,342</u>	<u>-</u>	<u>148,467</u>
<b>Deferred inflows of resources</b>					
Unavailable revenue	6,762	-	-	-	6,762
<b>Fund balances</b>					
Nonspendable					
Prepaid items	985	39	38	-	1,062
Restricted					
Streets	-	515,793	100,796	-	616,589
Assigned					
Capital projects	-	-	-	622,869	622,869
Subsequent year expenditures	90,124	-	-	-	90,124
Unassigned	846,495	-	-	-	846,495
<b>Total fund balances</b>	<u>937,604</u>	<u>515,832</u>	<u>100,834</u>	<u>622,869</u>	<u>2,177,139</u>
<b>Total liabilities, deferred inflows, and fund balances</b>	<u>\$ 1,022,626</u>	<u>\$ 583,697</u>	<u>\$ 103,176</u>	<u>\$ 622,869</u>	<u>\$ 2,332,368</u>

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



## VILLAGE OF SUTTONS BAY

### **RECONCILIATION OF FUND BALANCE ON THE BALANCE SHEET FOR GOVERNMENTAL FUNDS TO NET POSITION OF GOVERNMENTAL ACTIVITIES ON THE STATEMENT OF NET POSITION**

**DECEMBER 31, 2024**

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<b>Fund balances - total governmental funds</b>	<b>\$ 2,177,139</b>
---	---------------------

Amounts reported for *governmental activities* in the statement of net position are different because

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

Add - land	1,171,119
Add - construction in progress	4,800
Add - capital assets (net of accumulated depreciation)	3,029,638

Certain assets are not due and receivable in the current period and therefore are offset with unavailable revenue in the funds.

Add - personal property taxes unavailable revenue	<u>6,762</u>
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<b>Net position of governmental activities</b>	<b><u>\$ 6,389,458</u></b>
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The accompanying notes are an integral part of these financial statements.

# VILLAGE OF SUTTONS BAY

## GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

**FOR THE YEAR ENDED DECEMBER 31, 2024**

		<u>Special Revenue</u>		<u>Capital Projects</u>	
	<u>General</u>	<u>Major Streets</u>	<u>Local Streets</u>	<u>Property Replacement</u>	<u>Total</u>
<b>Revenues</b>					
Taxes and penalties	\$ 849,003	\$ -	\$ -	\$ -	\$ 849,003
Intergovernmental revenues					
State	73,847	102,589	61,356	-	237,792
Local	-	43,062	-	-	43,062
Licenses and permits	14,300	-	-	-	14,300
Charges for services	6,156	-	-	-	6,156
Interest income	43,418	22,979	4,400	24,067	94,864
Miscellaneous	4,943	-	4,170	-	9,113
<b>Total revenues</b>	<u>991,667</u>	<u>168,630</u>	<u>69,926</u>	<u>24,067</u>	<u>1,254,290</u>
<b>Expenditures</b>					
Current					
Legislative	22,788	-	-	-	22,788
General government	119,429	-	-	-	119,429
Public safety	91,187	-	-	-	91,187
Public works	127,277	135,241	214,780	-	477,298
Recreation and culture	251,124	-	-	-	251,124
Debt service					
Capital outlay	-	-	-	66,137	66,137
<b>Total expenditures</b>	<u>611,805</u>	<u>135,241</u>	<u>214,780</u>	<u>66,137</u>	<u>1,027,963</u>
Revenues over (under) expenditures	<u>379,862</u>	<u>33,389</u>	<u>(144,854)</u>	<u>(42,070)</u>	<u>226,327</u>
Other financing sources (uses)					
Transfers in	-	90,000	160,000	173,260	423,260
Transfers out	(411,900)	(2,855)	-	-	(414,755)
Total other financing sources (uses)	<u>(411,900)</u>	<u>87,145</u>	<u>160,000</u>	<u>173,260</u>	<u>8,505</u>
Net changes in fund balances	(32,038)	120,534	15,146	131,190	234,832
<b>Fund balances, beginning of year</b>	<u>969,642</u>	<u>395,298</u>	<u>85,688</u>	<u>491,679</u>	<u>1,942,307</u>
<b>Fund balances, end of year</b>	<u>\$ 937,604</u>	<u>\$ 515,832</u>	<u>\$ 100,834</u>	<u>\$ 622,869</u>	<u>\$ 2,177,139</u>

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

## VILLAGE OF SUTTONS BAY

### **RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES**

**FOR THE YEAR ENDED DECEMBER 31, 2024**

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<b>Net changes in fund balances - total governmental funds</b>	<b>\$ 234,832</b>
Amounts reported for <i>governmental activities</i> in the statement of activities are different because	
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets are allocated over their estimated useful lives and reported as depreciation expense.	
Add - capital outlay	309,468
Deduct - depreciation expense	(313,673)
Some receivables are long-term in nature and are collectable over several years. They are recognized when issued in the government-wide financial statements, however they are reflected as unavailable revenue on the fund statements.	
Add - increase in long-term receivables	<u>1,641</u>
<b>Change in net position of governmental activities</b>	<b><u>\$ 232,268</u></b>

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

# VILLAGE OF SUTTONS BAY

## ENTERPRISE FUNDS STATEMENT OF NET POSITION

**DECEMBER 31, 2024**

	<u>Sewer</u>	<u>Water</u>	<u>Marina</u>	<u>Total</u>
<b>Assets</b>				
Current assets				
Cash and pooled investments	\$ 344,259	\$ 525,729	\$ 1,091,313	\$ 1,961,301
Accounts receivable	22,320	9,514	951	32,785
Inventory	-	28,490	-	28,490
Prepaid items	<u>58</u>	<u>61</u>	<u>76</u>	<u>195</u>
Total current assets	<u>366,637</u>	<u>563,794</u>	<u>1,092,340</u>	<u>2,022,771</u>
Noncurrent assets				
Land	-	-	1,083,886	1,083,886
Capital assets, net	<u>4,759,829</u>	<u>762,652</u>	<u>1,463,851</u>	<u>6,986,332</u>
Net noncurrent assets	<u>4,759,829</u>	<u>762,652</u>	<u>2,547,737</u>	<u>8,070,218</u>
<b>Total assets</b>	<u>5,126,466</u>	<u>1,326,446</u>	<u>3,640,077</u>	<u>10,092,989</u>
<b>Liabilities</b>				
Current liabilities				
Accounts payable	1,143	6,235	51	7,429
Accrued liabilities	4,436	3,782	18,915	27,133
Current portion of long-term debt	<u>125,000</u>	<u>-</u>	<u>50,000</u>	<u>175,000</u>
Total current liabilities	130,579	10,017	68,966	209,562
Long-term liabilities				
Bonds payable, net of current portion	<u>130,000</u>	<u>-</u>	<u>870,000</u>	<u>1,000,000</u>
<b>Total liabilities</b>	<u>260,579</u>	<u>10,017</u>	<u>938,966</u>	<u>1,209,562</u>
<b>Net position</b>				
Net investment in capital assets	4,504,829	762,652	1,627,737	6,895,218
Unrestricted	<u>361,058</u>	<u>553,777</u>	<u>1,073,374</u>	<u>1,988,209</u>
<b>Total net position</b>	<u>\$ 4,865,887</u>	<u>\$ 1,316,429</u>	<u>\$ 2,701,111</u>	<u>\$ 8,883,427</u>

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

# VILLAGE OF SUTTONS BAY

## ENTERPRISE FUNDS STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

FOR THE YEAR ENDED DECEMBER 31, 2024

	<u>Sewer</u>	<u>Water</u>	<u>Marina</u>	<u>Total</u>
<b>Operating revenue</b>				
Charges for services	\$ 496,586	\$ 233,827	\$ 629,780	\$ 1,360,193
Other	148	376	10	534
<b>Total operating revenue</b>	<u>496,734</u>	<u>234,203</u>	<u>629,790</u>	<u>1,360,727</u>
<b>Operating expense</b>				
Operations and maintenance	366,086	142,415	366,139	874,640
Administration	68,018	58,755	30,525	157,298
Depreciation	168,402	34,397	108,465	311,264
<b>Total operating expense</b>	<u>602,506</u>	<u>235,567</u>	<u>505,129</u>	<u>1,343,202</u>
Operating income (loss)	<u>(105,772)</u>	<u>(1,364)</u>	<u>124,661</u>	<u>17,525</u>
Non-operating revenue (expense)				
Interest income	34,274	25,333	40,240	99,847
Interest expense	(6,175)	-	(35,672)	(41,847)
Total non-operating revenue (expense)	<u>28,099</u>	<u>25,333</u>	<u>4,568</u>	<u>58,000</u>
Income (loss) before transfers	<u>(77,673)</u>	<u>23,969</u>	<u>129,229</u>	<u>75,525</u>
Transfers				
Transfers in	15,000	6,800	-	21,800
Transfers out	(13,725)	(13,725)	(2,855)	(30,305)
Total transfers	<u>1,275</u>	<u>(6,925)</u>	<u>(2,855)</u>	<u>(8,505)</u>
Changes in net position	<u>(76,398)</u>	<u>17,044</u>	<u>126,374</u>	<u>67,020</u>
<b>Net position, beginning of year</b>	<u>4,942,285</u>	<u>1,299,385</u>	<u>2,574,737</u>	<u>8,816,407</u>
<b>Net position, end of year</b>	<u>\$ 4,865,887</u>	<u>\$ 1,316,429</u>	<u>\$ 2,701,111</u>	<u>\$ 8,883,427</u>

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

# VILLAGE OF SUTTONS BAY

## ENTERPRISE FUNDS STATEMENT OF CASH FLOWS

**FOR THE YEAR ENDED DECEMBER 31, 2024**

	<u>Sewer</u>	<u>Water</u>	<u>Marina</u>	<u>Total</u>
<b>Cash flows from operating activities</b>				
Receipts from customers and users	\$ 498,487	\$ 232,651	\$ 628,839	\$ 1,359,977
Payments to employees	(147,000)	(130,635)	(174,246)	(451,881)
Payments to suppliers	(512,697)	(59,033)	(225,989)	(797,719)
<b>Net cash provided by (used in) operating activities</b>	<u>(161,210)</u>	<u>42,983</u>	<u>228,604</u>	<u>110,377</u>
<b>Cash flows from non-capital financing activities</b>				
Transfers in	15,000	6,800	-	21,800
Transfers out	(13,725)	(13,725)	(2,855)	(30,305)
<b>Net cash provided by (used in) non-capital financing activities</b>	<u>1,275</u>	<u>(6,925)</u>	<u>(2,855)</u>	<u>(8,505)</u>
<b>Cash flows from capital and related financing activities</b>				
Interest paid	(6,175)	-	(35,672)	(41,847)
Principal paid on bonds	(125,000)	-	(50,000)	(175,000)
Acquisitions of capital assets	(106,518)	(14,554)	-	(121,072)
<b>Net cash provided by (used in) capital and related financing activities</b>	<u>(237,693)</u>	<u>(14,554)</u>	<u>(85,672)</u>	<u>(337,919)</u>
<b>Cash flows from investing activities</b>				
Interest income	<u>34,274</u>	<u>25,333</u>	<u>40,240</u>	<u>99,847</u>
Net increase (decrease) in cash and pooled investments	(363,354)	46,837	180,317	(136,200)
<b>Cash and pooled investments, beginning of year</b>	<u>707,613</u>	<u>478,892</u>	<u>910,996</u>	<u>2,097,501</u>
<b>Cash and pooled investments, end of year</b>	<u>\$ 344,259</u>	<u>\$ 525,729</u>	<u>\$ 1,091,313</u>	<u>\$ 1,961,301</u>
<b>Cash flows from operating activities</b>				
Operating income (loss)	\$ (105,772)	\$ (1,364)	\$ 124,661	\$ 17,525
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities				
Depreciation	168,402	34,397	108,465	311,264
Disposal of capital items	-	9,600	-	9,600
Changes in operating assets and liabilities which provided (used) cash				
Accounts receivable	1,753	(1,552)	(951)	(750)
Inventory	-	(3,935)	-	(3,935)
Prepaid items	373	9	8	390
Accounts payable	(226,055)	5,775	(3,258)	(223,538)
Accrued liabilities	89	53	(321)	(179)
<b>Net cash provided by (used in) operating activities</b>	<u>\$ (161,210)</u>	<u>\$ 42,983</u>	<u>\$ 228,604</u>	<u>\$ 110,377</u>

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

**VILLAGE OF SUTTONS BAY**  
**EMPLOYEES RETIREMENT SYSTEM**  
**STATEMENT OF FIDUCIARY NET POSITION**  
**DECEMBER 31, 2024**

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	<b>Pension <u>Trust</u></b>
<b>Assets</b>	
Money market funds	\$ 139,182
Investments	
Bond mutual funds	45,285
Other mutual funds	<u>784,817</u>
<b>Total assets</b>	969,284
<b>Liabilities</b>	
Accounts payable	<u>-</u>
<b>Net position</b>	
Net position held in trust for pension benefits	<u>\$ 969,284</u>

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

**VILLAGE OF SUTTONS BAY**

**EMPLOYEES RETIREMENT SYSTEM**

**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION**

**FOR THE YEAR ENDED DECEMBER 31, 2024**

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	<b>Pension <u>Trust</u></b>
<b>Additions</b>	
Contributions:	
Employer	\$ 59,696
Employee	25,112
Investment income (loss)	<u>137,054</u>
<b>Total additions</b>	<u>221,862</u>
<b>Deductions</b>	
Distributions and benefit payments	16,711
Commissions and fees	<u>4,675</u>
<b>Total deductions</b>	<u>21,386</u>
Net increase (decrease)	200,476
<b>Net position, beginning of year</b>	<u>768,808</u>
<b>Net position, end of year</b>	<u>\$ 969,284</u>

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



# VILLAGE OF SUTTONS BAY

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2024

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### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Village of Suttons Bay, Michigan (the "Village") was incorporated October 11, 1898, and covers an area of approximately 1.2 square miles. The Village operates under an elected Village Council of 7 members and provides services to its more than 600 residents in many areas including marina, water and sewer services, community enrichment and development, and human services.

The accounting policies of the Village conform to generally accepted accounting principles (GAAP) as applicable to governments. The following is a summary of the significant policies.

#### ***Reporting Entity***

As required by GAAP, these financial statements present the reporting entity of the Village. The criteria identified by GAAP, including financial accountability, have been utilized in identifying the Council's reporting entity which includes a component unit.

#### ***Discretely Presented Component Unit***

The Village established a Downtown Development Authority (DDA) in 2014 to complete various projects in the downtown district. Funding for these projects will be provided through captured property taxes from various units of government. The members of the governing boards of the DDA are appointed by the Village Council. The budgets of the DDA must be approved by the Village Council, and the Village has the ability to significantly influence its operations. Financial statements are not separately issued for the DDA. This entity is reported in a separate column in the Village's financial statements to emphasize that it is legally separate from the Village.

#### ***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 nonfiduciary 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 statement of activities demonstrates the degree to which the direct expenses of a given function or segment is 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*.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

#### ***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*, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when liability is incurred,

# VILLAGE OF SUTTONS BAY

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED DECEMBER 31, 2024

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regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

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 except grant revenues which are recognized when grant requirements are met, state shared revenue is recognized in the month in which taxes are collected, and interest revenue which is recorded when earned. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due. Property taxes, state revenue, grant revenue, licenses, and interest associated with 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 Village.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the enterprise funds are charges for services. Operating expenses for the enterprise funds include depreciation on capital assets, labor, supplies and contracted services. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

The Village reports the following major governmental funds:

The *General Fund* is the general operating fund of the Village. It is used to account for all financial resources, except those required to be accounted for in another fund.

The *Major Streets Fund* is used to account for the proceeds of State Act 51 revenue that is legally restricted to expenditures for major streets within the Village.

The *Local Streets Fund* is used to account for the proceeds of State Act 51 revenue that is legally restricted to expenditures for local streets within the Village.

The *Property Replacement Capital Projects Fund* accounts for the accumulation and disbursement of resources for the construction of specific capital projects within the Village.

The Village reports the following major proprietary funds:

The *Sewer Enterprise Fund* is used to account for the operations of the Village's sewer department that provides sewer services to most residents of the Village on a user charge basis.

The *Water Enterprise Fund* is used to account for the operations of the Village's water department that provides water services to most residents of the Village on a user charge basis.

The *Marina Enterprise Fund* is used to account for seasonal and transient dock rental and the Village owned municipal marina.

# VILLAGE OF SUTTONS BAY

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED DECEMBER 31, 2024

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Additionally, the Village reports the following fund type:

The *Pension Trust Fund* is used to account for assets held in a trustee capacity on behalf of its employees.

Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

#### ***Budgets and Budgetary Accounting***

Comparisons to budget are presented for General and Special Revenue Funds. The Village follows these procedures in establishing the budgetary data reflected in the financial statements:

1. Prior to December 1, the Village Manager submits to the Village Council a proposed operating budget for the fiscal year commencing the following January 1.
2. Public hearings are conducted to obtain taxpayer comments.
3. Prior to January 1, the budget is legally enacted through passage of a resolution.
4. Formal budgetary integration is employed as a management control device during the year for all funds except trust funds.
5. Budgets for the General and Special Revenue Funds are adopted on a basis consistent with generally accepted accounting principles (GAAP).
6. Adoption and amendments of all budgets used by the Village are governed by Public Act 621. The appropriations ordinances are based on the projected expenditures budget of the department heads of the Village. Any amendment to the original budget must meet the requirements of Public Act 621. The Village amended its budget for the year. Any revisions that alter the total expenditures of any activity must be approved by the Village Council.

Budgets for expenditures are adopted on an activity basis. Budgeted amounts are as originally adopted and amended by the Village Council.

#### ***Cash and Pooled Investments***

The Village's cash and pooled investments are considered to be cash and cash equivalents because the balances are readily available similar to demand deposits. All investments are recorded at fair value.

#### ***Investment Statutory Authority***

State statutes authorize the Village to invest in:

- a. Bond, securities, other obligations and repurchase agreements of the United States, or an agency or instrumentality of the United States.
- b. Certificates of deposit, savings accounts, deposit accounts or depository receipts of a qualified financial institution.
- c. Commercial paper rated at the time of purchase within the two highest classifications established by not less than two standard rating services and that matures not more than 270 days after the date of purchase.
- d. Bankers' acceptances of United States banks.

# VILLAGE OF SUTTONS BAY

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED DECEMBER 31, 2024

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- e. Obligations of the State of Michigan and its political subdivisions that, at the time of purchase are rated as investment grade by at least one standard rating service.
- f. Mutual funds registered under the Investment Company Act of 1940 with the authority to purchase only investment vehicles that are legal for direct investment by a public corporation.
- g. External investment pools as authorized by Public Act 20 as amended.

The Village retirement system is also allowed to invest in corporate debt and equity securities.

#### ***Prepaid Items***

Certain payments to vendors represent costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements using the consumption method.

#### ***Inventory***

Inventory is valued at the lower of cost or market, on the first in/first out basis using the consumption method.

#### ***Capital Assets***

Capital assets, which include property, buildings, infrastructure, and equipment, are reported in the governmental and business-type activities column in the government-wide financial statements.

Capital assets are defined by the government as assets with an initial, individual cost of more than \$1,000 and an estimated useful life in excess of two years. Such assets are valued at cost where historical records are available and at an estimated historical cost where no historical records exist. Donated capital assets are valued at acquisition value (the price that would be paid to acquire an asset with an equivalent service potential in an orderly market transaction) on the date received.

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

No interest expense has been capitalized on capital assets reported in proprietary funds.

Depreciation on capital assets (including infrastructure), is computed using the straight-line method over the following estimated useful lives:

	<u>Years</u>
Buildings and improvements	25-50
Equipment	5-20
Vehicles	5-10
System Infrastructure	20-50

#### ***Unearned revenue***

Unearned revenue consists of amounts received from funding sources prior to expenditure. The amounts will be recognized as revenue as the related expenditures are incurred.

# VILLAGE OF SUTTONS BAY

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED DECEMBER 31, 2024

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#### ***Deferred outflows/inflows of resources***

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/ expenditure) until then. The Village has no items that qualify for reporting in this category.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The government has only one type of item, which arises only under a modified accrual basis of accounting that qualifies for reporting in this category. Accordingly, the item, unavailable revenue, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from delinquent personal property taxes receivable. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

#### ***Long-Term Obligations***

In the government-wide financial statements and proprietary fund types in the fund financial statements, the long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. For new bond issuances after the implementation of GASB Statement No. 34, bond premiums and discounts, are deferred and amortized over the life of the bonds using the straight-line method which approximates the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums and discounts received on debt issuances are reported as other financing sources and uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures/expense regardless of function or activity.

#### ***Net Position and Fund Balance Reporting***

Governmental funds report fund balance in the following five categories:

1. Non-spendable - the related asset's form does not allow expenditure of the balance. The assets are either (a) not in a spendable form or (b) legally or contractually required to be maintained intact. Nonspendable fund balance would be equal to inventory, prepaid items, non-current financial assets, and the nonspendable portion of endowments.
2. Restricted - the related assets can only be spent for the specific purposes stipulated by constitution, external resource providers, or as identified in enabling legislation.
3. Committed - the related assets can only be spent for a specific purpose identified by formal resolution of the governing board.
4. Assigned - the related assets can only be spent for a specific purpose identified by management as authorized by the governing board.
5. Unassigned - is the residual classification and includes all spendable amounts not contained in the other classifications.

Fund Balance can only be committed or assigned by the Village Council.

# VILLAGE OF SUTTONS BAY

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED DECEMBER 31, 2024

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#### ***Net Position and Fund Balance Flow Assumptions***

Sometimes the government will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted – net position/fund balance and unrestricted – net position/fund balance, a flow assumption must be made about the order in which the resources are considered to be applied. It is the government's policy to use restricted resources first, then unrestricted resource as they are needed. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

#### ***Property Taxes***

Village property taxes are attached as an enforceable lien on property as of July 1. Taxes are levied July 1 and are due without penalty on or before September 15. Real property taxes not collected as of September 15 are turned over to the County for collection, which advances the Village 100% for the delinquent real property taxes. Collection of delinquent personal property taxes remains the responsibility of the Village Treasurer. Property taxes levied in July of each year are recognized as revenue in that year.

The Village's 2024 taxable value was \$106,107,688 on which 8.76470 mils was levied for operating purposes.

#### ***Grants and Other Intergovernmental Revenues***

Grants and assistance awards made on the basis of entitlement periods are recorded as intergovernmental receivables and revenue when entitlement occurs. Reimbursement-type grants are recorded as intergovernmental receivables and revenues when the related expenditure/expenses are incurred.

#### ***Interfund Transactions***

Quasi-external transactions are accounted for as revenues, expenditures, or expenses. Transactions that constitute reimbursements to a fund for expenditures/expenses initially made from it that are properly applicable to another fund, are recorded as expenditures/expenses in the reimbursing fund and as reductions of expenditures/expenses in the fund that is reimbursed. All other interfund transactions, except quasi-external transactions and reimbursements, are reported as transfers.

#### ***Risk Management***

The Village is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During the year ended December 31, 2024, the Village carried commercial insurance to cover risks of losses. The Village has had no settled claims resulting from these risks that exceeded their commercial coverage in any of the past three fiscal years.

## **2. EXCESS OF EXPENDITURES OVER APPROPRIATIONS IN BUDGETARY FUNDS**

Michigan law provides that a local unit shall not incur expenditures in excess of the amount appropriated.

# VILLAGE OF SUTTONS BAY

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED DECEMBER 31, 2024

In the body of the financial statements, the Village's actual expenditures and budgeted expenditures for the budgeted funds have been shown at the activity level, the same level at which the budgets of the Village were adopted. During the year ended December 31, 2024, the Village did not incur any expenditures in excess of the amounts appropriated.

#### 3. DEPOSITS AND INVESTMENTS

Cash and pooled investments consist of the following at December 31, 2024:

Deposits	\$ 953,477
Investments	3,498,636
Investments held for pension benefits	969,284
Petty cash	273
	<u>\$5,421,670</u>

These deposits are in financial institutions located in Michigan. State policy limits the Treasurer's investing options to financial institutions located in Michigan (with specific exceptions). All accounts are in the name of the Village and a specific fund or common account. They are recorded in Village records at fair value.

*Custodial Credit Risk - Deposits.* Custodial credit risk is the risk that in the event of a bank failure, the Village's deposits may not be returned. As of year-end, none of the Village's bank balance of \$966,735 was exposed to custodial credit risk because it was uninsured and uncollateralized.

#### **Investments**

The Village categorizes its fair value measurements of investments within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

The Village has the following recurring fair value measurements as of year-end.

- The Village does not have any investments that report fair value using quoted market prices (Level 1 inputs).
- The Village investments are valued using a pricing model utilizing observable fair value measures of fund investments and other observable inputs to determine the fair value of the securities making up the of investments fund (Level 2 inputs).
- The Village does not have any investments that report fair value based on significant unobservable inputs (Level 3 inputs).

# VILLAGE OF SUTTONS BAY

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED DECEMBER 31, 2024

The Village chooses to disclose its investments by specifically identifying each. As of year-end, the Village had the following investments:

<u>Investments</u>	<u>Maturity</u>	<u>Fair Value</u>	<u>Rating</u>	<u>Source</u>
MI Class Investment Pool	N/A	\$3,498,636	AAAm	S&P
Pension Investments:				
Lord Abbett Funds				
Affiliated A	N/A	119,851	3	Morning Star
Bond Debenture A	N/A	18,053	3	Morning Star
Dividend Growth A	N/A	3,437	3	Morning Star
Multi-asset Balanced Strategy A	N/A	127,619	3	Morning Star
Floating Rate A	N/A	1,722	4	Morning Star
Growth Opportunities A	N/A	114,514	2	Morning Star
Core Fixed Income A	N/A	7,044	3	Morning Star
Fundamental Equity A	N/A	113,401	4	Morning Star
Total Return A	N/A	10,316	3	Morning Star
Value Opportunities A	N/A	13,964	2	Morning Star
Growth Leaders A	N/A	9,663	3	Morning Star
Multi-Asset Income A	N/A	3,534	3	Morning Star
Affiliated R6	N/A	59,338	3	Morning Star
Multi-Asset Balanced Opp R6	N/A	106,797	4	Morning Star
Dividend Growth R6	N/A	6,843	3	Morning Star
Fundamental Equity R6	N/A	41,219	4	Morning Star
Bond Debenture R6	N/A	27,232	3	Morning Star
Core Fixed Income R6	N/A	9,592	4	Morning Star
Short Duration Income R6	N/A	4,355	4	Morning Star
Growth Leaders R6	N/A	2,369	2	Morning Star
Growth Opportunities R6	N/A	19,471	2	Morning Star
Floating Rate R6	N/A	7,538	4	Morning Star
Total Return R6	N/A	2,230	3	Morning Star
Money market funds	N/A	139,182	N/A	N/A
Total pension investments		969,284		
Total investments		\$4,467,920		

#### **Investment risk**

**Interest Rate Risk.** State law limits the allowable investments and the maturities of some of the allowable investments as identified in Note 1 of the summary of significant accounting policies. The Village's investment policy does not have specific limits in excess of state law on investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. The maturity date for each investment is identified above for investments with a specific maturity.

**Credit Risk.** State law limits investments to specific government securities, certificates of deposits and bank accounts with qualified financial institutions, commercial paper with specific maximum maturities and ratings when purchased, bankers acceptances of specific financial institutions, qualified mutual funds qualified external investment pools as identified in Note 1 of the summary of significant accounting policies. The investment policy does not have specific limits in excess of state law on investment credit risk. The rating for each investment, where applicable, is identified above for investments held at year-end.



# VILLAGE OF SUTTONS BAY

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED DECEMBER 31, 2024

**Custodial Credit Risk - Investments.** For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the Village will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. State law does not require and the Village does not have a policy for investment custodial credit risk. The above investments of \$4,467,920 are invested in mutual funds. The Village's custodial credit risk exposure cannot be determined because the mutual funds do not consist of specifically identifiable securities.

**Concentration of Credit Risk.** State law limits allowable investments but does not limit concentration of credit risk as identified in Note 1 of the summary of significant accounting policies. The Village's investment policy does not have specific limits in excess of state law on concentration of credit risk

#### 4. CAPITAL ASSETS

Capital asset activity for the year was as follows:

	<b>Balance January 1, 2024</b>	<b>Additions</b>	<b>Deletions</b>	<b>Balance December 31, 2024</b>
<b>Governmental Activities</b>				
<b>Capital assets, not being depreciated</b>				
Land	\$1,171,119	\$ -	\$ -	\$1,171,119
Construction in progress	44,760	-	39,960	4,800
	<u>1,215,879</u>	<u>-</u>	<u>39,960</u>	<u>1,175,919</u>
<b>Capital assets, being depreciated</b>				
Building and infrastructure	5,267,392	327,340	-	5,594,732
Vehicles and equipment	1,109,936	22,088	-	1,132,024
Total capital assets, being depreciated	<u>6,377,328</u>	<u>349,428</u>	<u>-</u>	<u>6,726,756</u>
Less accumulated depreciation				
Building and improvements	2,467,993	239,487	-	2,707,480
Vehicles and equipment	915,452	74,186	-	989,638
Total accumulated depreciation	<u>3,383,445</u>	<u>313,673</u>	<u>-</u>	<u>3,697,118</u>
<b>Net capital assets, being depreciated</b>	<u>2,993,883</u>	<u>35,755</u>	<u>-</u>	<u>3,029,638</u>
<b>Governmental Activities capital assets, net</b>	<b><u>\$4,209,762</u></b>	<b><u>\$35,755</u></b>	<b><u>\$39,960</u></b>	<b><u>\$4,205,557</u></b>
<b>Business-type Activities</b>				
<b>Capital assets, not being depreciated</b>				
Land	\$1,083,886	\$ -	\$ -	\$1,083,886
Construction in progress	140,893	-	140,893	-
	<u>1,224,779</u>	<u>-</u>	<u>140,893</u>	<u>1,083,886</u>
<b>Capital assets, being depreciated</b>				
Mains and equipment	9,658,638	252,365	-	9,911,003
Buildings	169,768	-	-	169,768
Seawall and docks	2,933,751	-	-	2,933,751
Total capital assets, being depreciated	<u>12,762,157</u>	<u>252,365</u>	<u>-</u>	<u>13,014,522</u>
Less accumulated depreciation				
Mains and equipment	4,168,769	205,526	-	4,374,295
Buildings	135,194	2,229	-	137,423
Seawall and docks	1,412,963	103,509	-	1,516,472
Total accumulated depreciation	<u>5,716,926</u>	<u>311,264</u>	<u>-</u>	<u>6,028,190</u>
<b>Net capital assets, being depreciated</b>	<u>7,045,231</u>	<u>(58,899)</u>	<u>-</u>	<u>6,986,332</u>
<b>Business-type Activities capital assets, net</b>	<b><u>\$8,270,010</u></b>	<b><u>(\$58,899)</u></b>	<b><u>\$140,893</u></b>	<b><u>\$8,070,218</u></b>

# VILLAGE OF SUTTONS BAY

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED DECEMBER 31, 2024

Depreciation expense was charged to functions/programs of the primary government as follows:

<b>Governmental Activities</b>	
General government	\$ 46,412
Public works	202,700
Culture and recreation	<u>64,561</u>
<b>Total depreciation expense, governmental activities</b>	<b><u>\$313,673</u></b>
<b>Business-type Activities</b>	
Sewer	\$168,402
Water	34,397
Marina	<u>108,465</u>
<b>Total depreciation expense, business-type activities</b>	<b><u>\$311,264</u></b>

#### 5. LONG-TERM DEBT

The following is a summary of the debt transactions of the Village for the year ended December 31, 2024.

	<u>Balance January 1, 2024</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance December 31, 2024</u>	<u>Due Within One Year</u>
<b>Business-type Activities</b>					
2005 State Revolving Fund Loan, payable in annual installments of \$100,000 to \$130,000 through 2026, plus interest at 1.625%	\$380,000	\$ -	\$125,000	\$255,000	\$125,000
2018 Limited Tax General Obligation Bonds, payable in annual installments of \$45,000 to \$85,000 through 2038, plus interest at 3.750%	970,000	-	50,000	920,000	50,000
<b>Total Business-type Activities</b>	<b>\$1,350,000</b>	<b>\$ -</b>	<b>\$175,000</b>	<b>\$1,175,000</b>	<b>\$175,000</b>

The annual requirements to amortize all debt outstanding as of December 31, 2024 are as follows:

<u>Year Ending December 31</u>	<u>Business-type Activities</u>	
	<u>Principal</u>	<u>Interest</u>
2025	\$ 175,000	\$ 38,644
2026	185,000	34,737
2027	55,000	30,562
2028	55,000	28,500
2029	60,000	26,438
2030-2034	330,000	97,126
2035-2039	<u>315,000</u>	<u>30,187</u>
<b>Total</b>	<b><u>\$1,175,000</u></b>	<b><u>\$286,194</u></b>

# VILLAGE OF SUTTONS BAY

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED DECEMBER 31, 2024

#### 6. INTERFUND TRANSACTIONS

Transfers in and out for the year ended December 31, 2024 are as follows:

	Transfers out						Total
	General fund	Major streets	Local Streets	Sewer fund	Water fund	Marina fund	
<b>Transfers in:</b>							
Major streets fund	\$ 90,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 90,000
Local streets fund	160,000	-	-	-	-	-	160,000
Property replacement fund	140,100	2,855	-	13,725	13,725	2,855	173,260
Sewer fund	15,000	-	-	-	-	-	15,000
Water fund	6,800	-	-	-	-	-	6,800
	<b>\$411,900</b>	<b>\$2,855</b>	<b>\$ -</b>	<b>\$13,725</b>	<b>\$13,725</b>	<b>\$2,855</b>	<b>\$445,060</b>

Transfers are used to contribute budgeted amounts to the capital improvements fund and move revenues from the fund that is required to collect them to the fund that is required or allowed to expend them.

#### 7. DEFINED CONTRIBUTION PLAN

The Village provides retirement benefits to substantially all full-time employees through a self-administered defined contribution pension plan. Employer contributions are equal to 10% of annual payroll for eligible employees. Employees are vested 20% per year and fully vested after five years of service. Employees may also elect to contribute a portion of their salary to the plan.

Employer and employee contributions to the plan for the year ended December 31, 2024 amounted to \$59,696 and \$25,112, respectively.

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## **REQUIRED SUPPLEMENTARY INFORMATION**

# VILLAGE OF SUTTONS BAY

## GENERAL FUND SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE BUDGET AND ACTUAL

**FOR THE YEAR ENDED DECEMBER 31, 2024**

	<b>Budget Amounts</b>		<b>Actual</b>	<b>Variance</b>
	<b>Original</b>	<b>Final</b>	<b>Amount</b>	<b>Positive (Negative)</b>
<b>Revenues</b>				
Taxes and penalties	\$ 770,000	\$ 839,599	\$ 849,003	\$ 9,404
Intergovernmental revenues				
State	68,500	74,300	73,847	(453)
Licenses and permits	13,500	14,100	14,300	200
Charges for services	6,000	5,500	6,156	656
Interest income	28,000	32,500	43,418	10,918
Miscellaneous	-	4,900	4,943	43
<b>Total revenues</b>	<b>886,000</b>	<b>970,899</b>	<b>991,667</b>	<b>20,768</b>
<b>Expenditures</b>				
Current				
Legislative-Village Council	33,780	23,500	22,788	712
General government				
Village manager	41,900	47,479	45,253	2,226
Clerk	10,520	12,110	10,955	1,155
Treasurer	25,610	21,981	21,390	591
Village hal	58,329	45,773	41,831	3,942
Total general government	136,359	127,343	119,429	7,914
Public safety	99,533	99,533	91,187	8,346
Public works				
Department of public works	88,135	87,772	79,427	8,345
Zoning and planning	86,387	46,677	36,842	9,835
Street lighting	14,000	15,500	15,161	339
Motor pool	109,090	107,564	101,822	5,742
Motor vehicle leases	(108,975)	(108,975)	(105,975)	(3,000)
Total public works	188,637	148,538	127,277	21,261
Culture and recreation	354,657	268,778	251,124	17,654
<b>Total expenditures</b>	<b>812,966</b>	<b>667,692</b>	<b>611,805</b>	<b>55,887</b>
<b>Revenues over (under) expenditures</b>	<b>73,034</b>	<b>303,207</b>	<b>379,862</b>	<b>76,655</b>
Other financing sources (uses)				
Transfers out	(411,900)	(411,900)	(411,900)	-
Net changes in fund balance	(338,866)	(108,693)	(32,038)	76,655
<b>Fund balance, beginning of year</b>	<b>969,642</b>	<b>969,642</b>	<b>969,642</b>	<b>-</b>
<b>Fund balance, end of year</b>	<b>\$ 630,776</b>	<b>\$ 860,949</b>	<b>\$ 937,604</b>	<b>\$ 76,655</b>

# VILLAGE OF SUTTONS BAY

## MAJOR STREETS FUND SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE BUDGET AND ACTUAL

**FOR THE YEAR ENDED DECEMBER 31, 2024**

	<u>Budget Amounts</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>	<u>Amount</u>	<u>Positive</u> <u>(Negative)</u>
<b>Revenues</b>				
Intergovernmental revenues				
State	\$ 93,000	\$ 96,928	\$ 102,589	\$ 5,661
Local	40,000	43,061	43,062	1
Interest income	<u>10,000</u>	<u>20,500</u>	<u>22,979</u>	<u>2,479</u>
<b>Total revenues</b>	<u>143,000</u>	<u>160,489</u>	<u>168,630</u>	<u>8,141</u>
<b>Expenditures</b>				
Public works				
Routine maintenance	116,583	81,844	71,135	10,709
Winter maintenance	60,497	60,497	60,497	-
Sidewalk improvements	10,000	2,000	-	2,000
Construction	<u>10,000</u>	<u>3,800</u>	<u>3,609</u>	<u>191</u>
<b>Total expenditures</b>	<u>197,080</u>	<u>148,141</u>	<u>135,241</u>	<u>12,900</u>
Revenues over (under) expenditures	<u>(54,080)</u>	<u>12,348</u>	<u>33,389</u>	<u>21,041</u>
Other financing sources (uses)				
Transfers in	90,000	90,000	90,000	-
Transfers out	<u>(2,855)</u>	<u>(2,855)</u>	<u>(2,855)</u>	<u>-</u>
Total other financing sources (uses)	<u>87,145</u>	<u>87,145</u>	<u>87,145</u>	<u>-</u>
Net changes in fund balances	33,065	99,493	120,534	21,041
<b>Fund balances, beginning of year</b>	<u>395,298</u>	<u>395,298</u>	<u>395,298</u>	<u>-</u>
<b>Fund balances, end of year</b>	<u>\$ 428,363</u>	<u>\$ 494,791</u>	<u>\$ 515,832</u>	<u>\$ 21,041</u>

# VILLAGE OF SUTTONS BAY

## LOCAL STREETS FUND SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE BUDGET AND ACTUAL

**FOR THE YEAR ENDED DECEMBER 31, 2024**

	<u>Budget Amounts</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>	<u>Amount</u>	<u>Positive</u> <u>(Negative)</u>
<b>Revenues</b>				
Intergovernmental revenues				
State	\$ 56,500	\$ 58,800	\$ 61,356	\$ 2,556
Interest income	3,300	4,100	4,400	300
Miscellaneous	<u>3,800</u>	<u>4,100</u>	<u>4,170</u>	<u>70</u>
<b>Total revenues</b>	<u>63,600</u>	<u>67,000</u>	<u>69,926</u>	<u>2,926</u>
<b>Expenditures</b>				
Public works				
Routine maintenance	103,758	69,080	59,797	9,283
Winter maintenance	55,088	55,088	55,088	-
Sidewalk improvements	5,000	1,000	-	1,000
Construction	<u>95,000</u>	<u>100,000</u>	<u>99,895</u>	<u>105</u>
<b>Total expenditures</b>	<u>258,846</u>	<u>225,168</u>	<u>214,780</u>	<u>10,388</u>
Revenues over (under) expenditures	(195,246)	(158,168)	(144,854)	13,314
Other financing sources (uses)				
Transfers in	<u>160,000</u>	<u>160,000</u>	<u>160,000</u>	<u>-</u>
Net changes in fund balances	(35,246)	1,832	15,146	13,314
<b>Fund balances, beginning of year</b>	<u>85,688</u>	<u>85,688</u>	<u>85,688</u>	<u>-</u>
<b>Fund balances, end of year</b>	<u>\$ 50,442</u>	<u>\$ 87,520</u>	<u>\$ 100,834</u>	<u>\$ 13,314</u>



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**INDIVIDUAL FUND  
FINANCIAL STATEMENTS**

# VILLAGE OF SUTTONS BAY

## ***DOWNTOWN DEVELOPMENT AUTHORITY BALANCE SHEET/STATEMENT OF NET POSITION***

***DECEMBER 31, 2024***

	<b><u>General Fund</u></b>	<b><u>Adjustments</u></b>	<b><u>Statement of Net Position</u></b>
<b>Assets</b>			
Cash and pooled investments	\$ 203,992	\$ -	\$ 203,992
Accounts receivable	19,707	-	19,707
Prepaid items	<u>3</u>	<u>-</u>	<u>3</u>
<b>Total assets</b>	<u>223,702</u>	<u>-</u>	<u>223,702</u>
<b>Liabilities and fund balances</b>			
<b>Liabilities</b>			
Accounts payable	9	-	9
Accrued liabilities	<u>124</u>	<u>-</u>	<u>124</u>
<b>Total liabilities</b>	<u>133</u>	<u>-</u>	<u>133</u>
<b>Fund balances</b>			
Unassigned	<u>223,569</u>	<u>(223,569)</u>	
<b>Total fund balance</b>	<u>223,569</u>	<u>(223,569)</u>	
<b>Total liabilities and fund balances</b>	<u>\$ 223,702</u>		
<b>Net position</b>			
Net investment in capital assets			
Unrestricted		<u>\$ 223,569</u>	<u>\$ 223,569</u>

# VILLAGE OF SUTTONS BAY

## ***DOWNTOWN DEVELOPMENT AUTHORITY STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE/STATEMENT OF ACTIVITIES***

***FOR THE YEAR ENDED DECEMBER 31, 2024***

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	<b><u>General Fund</u></b>	<b><u>Adjustments</u></b>	<b><u>Statement of Activities</u></b>
<b>Revenues</b>			
Taxes	\$ 86,800	\$ -	\$ 86,800
Interest income	<u>6,592</u>	<u>-</u>	<u>6,592</u>
<b>Total revenues</b>	93,392	-	93,392
<b>Expenditures/expenses</b>			
Current			
General government	<u>16,721</u>	<u>-</u>	<u>16,721</u>
Net changes in fund balance	76,671	(76,671)	
Change in net position		76,671	76,671
<b>Fund balance/net position, beginning of year</b>	<u>146,898</u>		<u>146,898</u>
<b>Fund balance/net position, end of year</b>	<u>\$ 223,569</u>		<u>\$ 223,569</u>