

Suttons Bay Township

Leelanau County, Michigan

Audit Report

For the Year Ended March 31, 2017

Table of Contents

INTRODUCTORY SECTION

Comments and Recommendations	4 - 5
------------------------------	-------

FINANCIAL SECTION

Independent Auditor's Report	7 - 8
Management's Discussion and Analysis	9 - 12

Basic Financial Statements

Government-wide Financial Statements:	
Statement of Net Position	13
Statement of Activities	14
Governmental Funds:	
Balance Sheet	15
Statement of Revenues, Expenditures and Changes in Fund Balances	16
Fiduciary Funds	
Statement of Fiduciary Net Position	17
Notes to Basic Financial Statements	18 - 24

SUPPLEMENTAL DATA SECTION

Required Supplementary Information:	
Schedules of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual:	
1 - General Fund	26- 29
2 - Roads, Parks and General Improvement Fund	30
3 - Special Election Millage Fund	31
Non-major Governmental Funds:	
4 - Combining Balance Sheet – All Non-Major Funds	32
5 - Combined Statements of Revenues, Expenditures and Changes in Fund Balance – All Non-Major Funds	33
Other Supplementary Information:	
6 - Statement of Changes in Assets and Liabilities – Current Tax Collection Fund	34
7 - 2016 Property Tax Levy and Collection	35
8 - Statement of Revenues and Expenditures and Balance – Property Tax Administration Fees	36

INTRODUCTORY SECTION

## Comments and Recommendations

We have audited the basic financial statements of Suttons Bay Township, Leelanau County, for the year ended March 31, 2017 and have issued our report thereon. As part of our examination, we made a study and evaluation of the Township's system of internal accounting control to the extent we considered necessary to evaluate the system as required by generally accepted auditing standards. The purpose of our study and evaluation was to determine the nature, timing and extent of the auditing procedures necessary for expressing an opinion on the Township's financial statements. Our study and evaluation was more limited than would be necessary to express an opinion on the system of internal accounting control taken as a whole.

Our study and evaluation made for the limited purpose described above would not necessarily disclose all material weaknesses in the system. Accordingly, we do not express an opinion on the system of internal control of Suttons Bay Township taken as a whole. As a result of our examination, we respectfully submit the following comments and recommendations.

### General

The records were maintained in excellent condition by your Clerk and Treasurer. Recorded revenues were deposited timely and intact, journals and ledgers were properly posted, Board minutes were in good order, and supporting documents and follow-up procedures appeared to be in good order. The efforts of these officials are commendable.

### Internal Control

Management is responsible for establishing and maintaining a system of internal control. Internal control is a system of policies and procedures designed to provide, among other things, reasonable assurance that assets are safeguarded against unauthorized use and disposition and that financial reports are accurate. Some minimum requirements of a sound system of internal control include numerically controlled receipts, timely bank deposits, and monthly reconciliation of all bank accounts to general ledger balances.

We found that the Clerk and Treasurer were cooperating in carrying out their statutory duties. The books and records were properly maintained.

### Budgets and Procedures

The Township prepared and formally adopted budgets for its General and Special Revenue Funds. During the year, one cost center exceeded budgeted amounts.

### General Fund

The General Fund is presented on Schedule 1. The fund balance at March 31, 2017 was \$344,644. Revenues and expenditures amounted to \$953,529 and \$914,459, respectively.

### Roads, Parks and General Improvement Fund

This fund, presented on Schedule 2, was established to set aside funds for roads, parks and general improvements. A transfer of \$80 was made during the year. The remaining fund balance at March 31, 2017 was \$11,693.

### Special Election Millage Fund

The Special Election Millage Fund, presented on Schedule 3, is used to account for millage collected to fund fire authority operations and debt service of the Building Authority. During the year property taxes collected were \$114,842, and the fund balance at March 31, 2017 was \$115,311.

### Cemetery Fund

The Cemetery Fund, presented on Schedules 4 and 5, was established to accumulate funds for Cemetery maintenance. There were revenues from lot sales of \$400 during the year. There were no expenditures during the year. The ending fund balance at March 31, 2017 was \$11,570.

### Metro Act Fund

The Metro Act Fund is shown on Schedules 4 and 5. Revenue received from the State of Michigan during the year amounted to \$7,476. There were no expenditures during the year. The ending fund balance at March 31, 2017 was \$32,210.

Comments and Recommendations

Township Hall Fund

The Township Hall Fund is shown on Schedules 4 and 5. This fund was established to set aside funds for the new township hall. There were no revenues and no expenditures during the year. The fund balance at March 31, 2017 was \$401.

Property Tax Collections

Property taxes collected were distributed to taxing units prior to the end of the fiscal year. Receipts were filed in order of payment, deposits were made timely and intact, and distributions were made in a timely manner. This function was handled efficiently by the Treasurer.

Schedule 7 reflects the amount levied, collected and returned delinquent for the 2016 property tax levy.

Insurance and Surety Bond Coverage

Records indicate that the Township has workmen's compensation, liability and other insurance coverage and that coverage was reviewed during the audit year. The Clerk, Treasurer, and their deputies have surety bond coverage.

Other Data

We are pleased to note the use of interest bearing depository accounts by the Treasurer. This resulted in earned interest of over \$500 during the year. This is a significant amount of interest earned, and the continued use of interest bearing accounts is encouraged.

After completion of our audit, we will submit the necessary copies of our report to the State Department of Treasury.

We appreciate the courtesy extended our field auditor in the conduct of this audit.

Your confidence is respected. Please contact us if questions arise or assistance is needed.

FINANCIAL SECTION

## INDEPENDENT AUDITOR'S REPORT

To the Township Board  
Suttons Bay Township  
Leelanau County  
Suttons Bay, Michigan 49682

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Suttons Bay Township as of and for the year ended March 31, 2017, and the related notes to the financial statements, which collectively comprise the Township's basic financial statements as listed in the table of contents.

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

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Suttons Bay Township, as of March 31, 2017, 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.

### **Other Matters**

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 9 through 11 and 25 through 35 be presented to supplement the basic financial statements. Such information, 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.

**Other Information**

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Suttons Bay Township's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

TOBIN & CO., P.C.  
Certified Public Accountants  
September 13, 2017



## SUTTONS BAY TOWNSHIP MANAGEMENT'S DISCUSSION AND ANALYSIS

As the Township Administrative Officials of the Suttons Bay Township, Leelanau County, we offer readers of the township's financial statements this narrative overview and analysis of the financial activities of Suttons Bay Township for the fiscal year ended March 31, 2017.

### Financial Highlights

The assets of Suttons Bay Township exceeded its liabilities at the close of the most recent fiscal year by \$1,984,814. Of this amount, \$532,434 may be used to meet the Township's ongoing obligations to citizens and creditors.

As of the close of the current fiscal year, Township's governmental funds reported combined ending fund balances of \$532,434, an increase of \$57,263 in comparison with the prior year. Of the total amount \$344,644, is available for spending at the Township's discretion.

At the end of the current fiscal year, unassigned fund balance for the general fund was \$344,644, or 38% of total general fund expenditures.

### Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to Suttons Bay Township's basic financial statements. The Township's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information, in addition to the basic financial statements themselves.

#### 1. Government-wide Financial Statements

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

The **statement of Net Position** presents information on all of the Township'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 Township's financial position is improving or deteriorating.

The **statement of activities** presents information showing how the Township'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., uncollected taxes, earned but unused credits, and used but not paid expenses).

Both of the government-wide financial statements distinguish functions of the Township 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 Township include: General Government, Public Safety, Public Works, and Recreation and Culture. Suttons Bay Township does not have any business-type activities (examples would include water and sewer, golf courses, etc.).

#### 2. 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. Suttons Bay Township, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of Suttons Bay Township are categorized as governmental 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.

Suttons Bay Township maintains six 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 the General Fund, the Township Hall Fund, and the Special Election Millage Fund which are major funds. All Township government activities are included in these six funds.

The Township adopts an annual appropriated budget for its general fund and special revenue funds. A budgetary comparison statement has been provided for the general fund and other major funds to demonstrate compliance with this budget.

**3. 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.

**General Fund Budgetary Highlights**

The township adopts an annual appropriated budget for its general fund, special revenue funds, debt service funds, and capital projects funds. The Township budgets conservatively. Revenues are budgeted based on historic trends. Expenditures are budgeted based on the previous years' actual expense.

The Township received financials at their monthly board meetings. Budget amendments are voted and approved at these monthly meetings, if necessary. General fund revenues were less than the budget by \$25,586. Expenditures were less than the budget by \$55,452.

**General Fund Analysis and Highlights**

The general fund is the chief operating fund of the Township. At the end of the current fiscal year, unassigned fund balance of the general fund, and the total fund balance was \$344,644. Unassigned fund balance represents 38% of total general fund expenditures for the year.

The fund balance of the Township's general fund increased by \$22,375 during the current fiscal year.

Differences between the original budget and the final amended budget were minimal. For the most part, increases in expenses closely paralleled inflation and growth in the demand for services.

**Analysis of Balances and Transaction of the Other Township Funds**

The Township Hall Fund was created to set aside funds for the new township hall which was purchased during the fiscal year, and the remaining fund balance at March 31, 2017 was \$401.

The Special Election Millage Fund is used to collect taxes levied to support the Suttons Bay-Bingham Fire Authority. The balance in the fund at March 31, 2017 was \$115,311.

**Condensed Financial Information**

	<b>Net Position</b>	
	<u>3/31/17</u>	<u>3/31/15</u>
Current Assets	\$ 532,434	\$ 552,238
Capital Assets	<u>1,503,851</u>	<u>1,392,578</u>
Total Assets	2,036,285	1,944,816
Current Liabilities	51,471	4,607
Long-term Liabilities	<u>-</u>	<u>56,338</u>
Total Liabilities	<u>51,471</u>	<u>60,945</u>
Net Position:		
Investment in Capital and Intangible Assets, Net of Debt	1,452,380	1,331,633
Restricted	187,790	192,137
Unrestricted	<u>344,644</u>	<u>360,101</u>
Total Net Position	<u>\$ 1,984,814</u>	<u>\$ 1,883,871</u>

	<b>Activities</b>	
	<u>3/31/17</u>	<u>3/31/15</u>
Program Revenues:		
Charges for Services	\$ 40,444	\$ 40,787
General Revenues:		
Property Taxes	805,778	748,635
State Shared Revenues	186,607	180,188
Other	<u>52,101</u>	<u>10,707</u>
Total Revenues	1,084,930	980,317
Expenses:		
Legislative	45,468	49,887
General Government	338,385	312,862
Public Safety	571,343	531,326
Public Works	-	10,344
Recreation and Cultural	<u>86,220</u>	<u>91,724</u>
Total Expenses	<u>1,041,416</u>	<u>996,143</u>
Change in Net Position	43,514	(15,826)
Beginning of Year – Net Position	<u>1,941,300</u>	<u>1,899,697</u>
End of Year – Net Position	<u>\$ 1,984,814</u>	<u>\$ 1,883,871</u>

#### **Capital Assets**

The Township's investment in capital assets for its governmental activities as of March 31, 2017, amounts to \$1,503,851. This investment in capital assets includes: several parcels of land, town hall, and office furniture and equipment. All of our government funds report capital outlays as expenditures. However, the cost of the assets is allocated over their useful lives. This fiscal year the amount by which depreciation exceeded capital outlay was \$13,749.

#### **Cash Assets**

At the end of the current fiscal year, the Township had \$500,373 in cash and other spendable assets. Of this amount, nearly all was held in Money Market Funds and was earning interest; the remainder is held in the Township's checking accounts. The Township is limited by State law in how it can invest these funds, and we have made no changes in our investment strategy in several years.

#### **Pension Plan**

Township elected officials have the option of having the Township pay Social Security taxes or to join our pension plan. The Township makes contributions equal to 11% of each employee's wage to Municipal Retirement Systems, Inc. This is an expensed item in the budget and totaled \$8,255 for the fiscal year.

#### **Long-term Debt**

At the end of the current year, the Township had \$51,471 of long-term debt outstanding. In August of 2017 the full amount was paid.

**Currently Known Facts, Decisions, or Conditions Expected to Significantly Affect Next Year and Beyond**

The Board retired the Township office debt in five years by paying the balloon payment of \$50,213.08 at our August 9, 2017 regular meeting.

The recreation committee is working to complete the pavilion in Herman Park this fall. The committee is also updating the recreation plan which expires December 31, 2017.

The Township adopted an ordinance for short term rentals.

The Township rescinded fee ordinance of 1997 and adopted a new fee ordinance and fee schedule.

**Requests for Information**

This financial report is designed to provide a general overview of Suttons Bay Township's finances for all those with an interest in the Township's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Mr. Richard Bahle, Supervisor, Suttons Bay Township, 321 N. St. Joseph, Suttons Bay, MI 49682 (231-271-2722)

Suttons Bay Township  
Statement of Net Position  
March 31, 2017

<u>Assets</u>	<u>Primary Government</u> Governmental Activities <u>And Total</u>
Cash	\$ 474,758
Receivables	57,676
Capital Assets:	
Land	558,815
Other Capital Assets, Net of Depreciation	<u>945,036</u>
Total Capital Assets	<u>1,503,851</u>
Total Assets	<u>2,036,285</u>
<u>Liabilities</u>	
Long-term Liabilities, Net of Discounts:	
Due Within One Year	51,471
Due in More Than One Year	<u>-</u>
Total Liabilities	<u>51,471</u>
<u>Net Position</u>	
Invested in Capital and Intangible Assets, Net of Related Debt	1,452,380
Restricted	187,790
Unrestricted	<u>344,644</u>
Total Net Position	<u>\$ 1,984,814</u>

See Independent Auditor's Report and Accompanying Notes to Basic Financial Statements

Suttons Bay Township  
Statement of Activities  
March 31, 2017

Functions/Programs	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Governmental Activities and Total</u>
Governmental Activities:				
Legislative	\$ 45,468	\$ -	\$ -	\$ (45,468)
General Government	338,385	6,395	-	(331,990)
Public Safety	571,343	34,049	-	(537,294)
Public Works	-	-	-	-
Recreation and Culture	<u>86,220</u>	<u>-</u>	<u>-</u>	<u>(86,220)</u>
Total Governmental Activities	<u>\$ 1,041,416</u>	<u>\$ 40,444</u>	<u>\$ -</u>	<u>(1,000,972)</u>
General Revenues:				
Property Taxes				805,778
State Grants				186,607
Unrestricted Investment Earnings				706
Miscellaneous				<u>51,395</u>
Total General Revenues				<u>1,044,486</u>
Change in Net Position				43,514
Net Position – Beginning				<u>1,941,300</u>
Net Position – Ending				<u>\$ 1,984,814</u>

See Independent Auditor's Report and Accompanying Notes to Basic Financial Statements

Suttons Bay Township  
Balance Sheet  
Governmental Funds  
March 31, 2017

	<u>General</u>	<u>Roads, Parks and General Improvement Fund</u>	<u>Special Election Millage Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<u>Assets</u>					
Cash	\$ 286,968	\$ 11,683	\$ 115,311	\$ 60,796	\$ 474,758
Accounts Receivable	47,345	-	-	-	47,345
Delinquent Taxes Receivable	<u>10,331</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>10,331</u>
Total Assets	<u>\$ 344,644</u>	<u>\$ 11,683</u>	<u>\$ 115,311</u>	<u>\$ 60,796</u>	<u>\$ 532,434</u>
 <u>Liabilities and Fund Balances</u>					
Liabilities:	\$ -	\$ -	\$ -	\$ -	\$ -
Total Liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances:					
Committed	-	11,683	115,331	60,796	187,790
Unassigned	<u>344,644</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>344,644</u>
Total Fund Balances	<u>344,644</u>	<u>11,683</u>	<u>115,311</u>	<u>60,796</u>	532,434
Total Liabilities and Fund Balances	<u>\$ 344,644</u>	<u>\$ 11,683</u>	<u>\$ 115,311</u>	<u>\$ 60,796</u>	
 Amounts reported for governmental activities on the statement of Net Position are different because:					
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.					1,503,851
Long-term liabilities do not use current financial resources and therefore, are Not reported in the funds.					<u>(51,471)</u>
Net Position of governmental activities.					<u>\$ 1,984,814</u>

See Independent Auditor's Report and Accompanying Notes to Basic Financial Statements

Suttons Bay Township  
Statement of Revenues, Expenditures and Changes in Fund Balances  
Governmental Funds  
For the Year Ended March 31, 2017

	General	Roads, Parks and General Improvement Fund	Special Election Millage Fund	Other Governmental Funds	Total Governmental Funds
<u>Revenues</u>					
Taxes	\$ 683,460	\$ -	\$ 114,842	\$ 7,476	\$ 805,778
State Grants	186,607	-	-	-	186,607
Charges for Services	40,044	-	-	400	40,444
Interest and Rents	523	-	183	-	706
Other	42,895	8,500	-	-	51,395
Total	953,529	8,500	115,025	7,876	1,084,930
<u>Expenditures</u>					
Legislative	45,468	-	-	-	45,468
General Government	185,307	-	-	-	185,307
Public Safety	571,343	-	-	-	571,343
Public Works	-	-	-	-	-
Recreation and Cultural	49,845	-	-	-	49,845
Other	28,109	-	113,208	-	141,317
Capital Outlay	34,387	-	-	-	34,387
Total	914,459	-	113,208	-	1,027,667
<u>Excess Revenues (Expenditures)</u>	39,070	8,500	1,817	7,876	57,263
<u>Other Financing Sources (Uses)</u>					
Operating Transfers In	-	80	-	16,615	16,695
Operating Transfers (Out)	(16,695)	-	-	-	(16,695)
Total	(16,695)	80	-	16,615	-
<u>Excess Revenues (Expenditures) and Other Financing Sources (Uses)</u>	22,375	8,580	1,817	24,491	57,263
Fund Balance – Beginning of Year	322,269	3,103	113,494	36,305	
Fund Balance – End of Year	\$ 344,644	\$ 11,683	\$ 115,311	\$ 60,796	
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets over their estimated useful lives is reported as depreciation expense. This is the amount by which depreciation exceeded capital outlay in the current year.					(13,749)
Change in Net Position of governmental activities.					\$ 43,514

See Independent Auditor’s Report and Accompanying Notes to Basic Financial Statements



Suttons Bay Township  
Statement of Fiduciary Net Position  
March 31, 2017

<u>Assets</u>	<u>Agency Funds</u>
Cash and Investments	\$ <u>6,034</u>
Total Assets	<u>6,034</u>
<u>Liabilities</u>	
Undistributed Taxes and Interest	<u>6,034</u>
Total Liabilities	<u>6,034</u>
Net Position	<u>\$ -</u>

See Independent Auditor's Report and Accompanying Notes to Basic Financial Statements

Suttons Bay Township  
Notes to Financial Statements  
March 31, 2017

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

Suttons Bay Township is a general law township located in Leelanau County. Population as of the 2010 census was 2,982, and the current state equalized valuation for taxable property is \$326,780,875 and the taxable value is \$217,898,087.

The Township's basic financial statements include the accounts of all Township operations. The criteria for including organizations within the Township's reporting entity, as set forth in GASB No. 14, "*The Financial Reporting Entity*" includes oversight responsibility, fiscal dependency and whether the financial statements would be misleading if data were not included.

Based on the above criteria, there are no other organizations included in these financial statements.

B. Basis of Presentation

The government-wide financial statements (the statement of Net Position and the statement of changes in Net Position) report information on all of the activities of the Township. The effect of interfund activity, within the governmental activities column, has been removed from these statements.

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

Fund Financial Statements:

The Township segregates transactions related to certain functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. These statements present each major fund as a separate column on the fund financial statements; all non-major funds are aggregated and presented in a single column.

Governmental funds are those funds through which most governmental functions typically are financed. The measurement focus of governmental funds is on the sources, uses and balance of current financial resources. The Township has presented the following governmental funds:

General Fund – This fund is used to account for all financial transactions not accounted for in another fund, including the general operating expenditures of the Township. Revenues are derived primarily from property taxes, state distributions or grants, and other intergovernmental revenues.

Special Revenue Funds – These funds are used to account for specific governmental revenues (other than expendable trusts and major capital projects) requiring separate accounting because of legal or regulatory provisions or administrative action.

Fiduciary Funds

These funds are used to account for assets held in a trustee capacity or as an agent for individuals, private organizations, other governments, and/or other funds.

Suttons Bay Township  
Notes to Financial Statements  
March 31, 2017

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Measurement Focus/Basis of Accounting

Measurement focus refers to what is being measured; basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurement made, regardless of the measurement focus applied.

The government-wide statements are reported using the economic resources measurement focus and the accrual basis of accounting. The economic resources measurement focus means all assets and liabilities (whether current or non-current) are included on the statement of Net Position and the operating statements present increases (revenues) and decreases (expenses) in net total assets. Under the accrual basis of accounting, revenues are recognized when earned. Expenses are recognized at the time the liability is incurred.

Governmental fund and agency fund financial statements are reported using the current financial resources measurement focus and are accounted for using the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual; i.e., when they become both measurable and available. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The Township considers property taxes as available if they are collected within 60 days after year end. A one-year availability period is used for recognition of all other Governmental Fund revenues. Expenditures are recorded when the related fund liability is incurred. However, debt service expenditures, as well as expenditures related to compensated absences are recorded only when payment is due.

The revenue susceptible to accrual are property taxes, franchise fees, licenses, charges for service, interest income and intergovernmental revenues. All other governmental fund revenues are recognized when received.

D. Budgets

The General Fund and Special Revenue Funds are under formal budgetary control. Budgets shown in the required supplementary schedules for these funds were prepared on a basis not significantly different from the modified accrual basis used to reflect actual results and consist only of those amounts contained in the formal budget approved and amended by the Township.

In the body of the financial statements and the required supplementary schedules, the Township's actual and budgeted expenditures for the budgetary funds have been shown on a functional basis. The approved budgets for these funds were adopted to the activity or cost center level.

For budgetary purposes appropriations lapse at fiscal year end.

E. Capital Assets

Capital assets, which includes property, plant, and equipment, are reported in the applicable governmental column in the government-wide financial statements. All capital assets are valued at historical cost or estimated historical cost if actual historical is not available. Donated assets are valued at their fair market value on the date donated. Repairs and maintenance are recorded as expenses. Renewals and betterments are capitalized. Interest is capitalized during the construction period on property, plant and equipment.

Suttons Bay Township  
Notes to Financial Statements  
March 31, 2017

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Capital Assets (Continued)

Assets capitalized have an original cost of \$1,000 or more and over one year of useful life. Depreciation has been calculated on each class of depreciable property using the straight-line method. Estimated useful lives are as follows:

Land Improvements	10 – 20 years
Buildings	25 – 40 years
Building Improvements	5 – 10 years
Furniture and Fixtures	3 – 10 years
Office Equipment	5 years

F. Property Tax Procedures and Collections

Properties are assessed as of December 31 and the related property taxes become a lien the following July 1 and/or December 1. Real property taxes are collected by the Township Treasurer through February 28 of each year. As of March 1, uncollected real property taxes are returned delinquent to, and collected by, the County Treasurer. Personal property taxes remain the responsibility of the Township Treasurer to collect. It is the policy of the Township to record the real property taxes in the year of levy.

During the collection period prior to March 1, the Township Treasurer makes distribution of the property tax collections to the various taxing units (County, School District, etc.) as required by statute.

For the fiscal year the Township levied property taxes as follows:

	SEV	Taxable Value	Millage Rate
General Operating	\$326,780,875	\$217,898,087	.5639
Fire Operations	\$326,780,875	\$217,898,087	2.2000
Fire and Rescue Building	\$326,780,875	\$217,898,087	.4800

G. Investments

At March 31, 2017, the Township had no investments.

H. Use of Estimates

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

I. Fund Equity

Fund balances of the governmental funds are classified as follows:

*Nonspendable* – amounts that cannot be spent either because they are in nonspendable form or because they are legally or contractually required to be maintained intact.

*Restricted* – amounts that can be spent only for specific purposes because of constitutional provisions or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.

Suttons Bay Township  
Notes to Financial Statements  
March 31, 2017

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

I. Fund Equity (Continued)

*Committed* – amounts that can be used only for specific purposes determined by a formal action of the Township Board. The Township Board is the highest level of decision-making authority for the Township. Commitments may be established, modified, or rescinded only through ordinances or resolutions approved by the Township Board.

*Assigned* – amounts that do not meet the criteria to be classified as restricted or committed but that are intended to be used for specific purposes. All such assignments can be made only with unanimous approval of all committed members.

*Unassigned* – all other spendable amounts.

As of March 31, 2017, fund balances are composed of the following:

	General Fund	Roads, Parks and General Improvement Fund	Special Election Millage Fund	Nonmajor Governmental Funds	Total Governmental Funds
Committed	\$ -	\$ 11,683	\$ 115,311	\$ 60,796	\$ 187,790
Unassigned	<u>344,644</u>	-	-	-	<u>344,644</u>
Total Fund Balances	<u>\$ 344,644</u>	<u>\$ 11,683</u>	<u>\$ 115,311</u>	<u>\$ 60,796</u>	<u>\$ 532,434</u>

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the Township considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the Township considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the Township Board has provided otherwise in its commitment or assignment actions.

J. Deferred Outflow/Inflows of Resources

In addition to assets, the statement of net position and the governmental funds balance sheet, when applicable, will report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position/fund balance that applies to future period and so will not be recognized as an outflow of resources (expense/expenditure) until then. Currently, the Township does not have any items of this type that qualify as deferred outflows of resources.

In addition to liabilities, the statement of net position and the balance sheet, when applicable, will sometime report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position/fund balance that applies to future period and so will not be recognized as an inflow of resources (revenue) until then. Currently the Township does not have any items of this type that qualify as deferred inflows of resources.

NOTE 2 - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

- A. We noted no violations of legal provisions and/or contractual provisions of various agreements related to financial matters.
- B. All funds had positive fund balances at March 31, 2017.
- C. Public Act 621 of 1978, Section 18, provides that a local unit shall not incur expenditures in excess of the amount appropriated. During the year ended March 31, 2017, one cost centers exceeded their budget.

Suttons Bay Township  
Notes to Financial Statements  
March 31, 2017

NOTE 3 - DEPOSITS WITH FINANCIAL INSTITUTIONS

A. Legal Provisions for Deposits and Investments

Act 20, Public Acts of 1943, as amended by Act 217, Public Acts of 1982, and Act 196, Public Acts of 1997, states that the Township, by resolution, may authorize the Treasurer to invest surplus funds as follows:

- (1) In bonds and other direct obligations of the United States or an agency or instrumentality of the United States.
- (2) In certificates of deposit, savings accounts, deposit accounts, or depository receipts of a bank which is a member of the Federal Deposit Insurance Corporation or a savings and loan association which is a member of the Federal Savings and Loan Insurance Corporation or a credit union which is insured by the National Credit Union Administration, but only if the bank, savings and loan association, or credit union complies with subsection (2).
- (3) In commercial paper rated at the time of purchase within the two highest classifications established by not less than two standard rating services and which matures not more than 270 days after date of purchase.
- (4) Repurchase agreements consisting of instruments defined in (1) above.
- (5) In bankers' acceptances of United States Banks.
- (6) Obligations of the State of Michigan or any of its political subdivisions that at the time of purchase are rated as investment grade by not less than one standard rating service.
- (7) In 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 local units of government in Michigan.

B. Types of Deposits and Investments

The Township had \$483,932 deposited with local financial institutions at March 31, 2017 with a carrying value of \$480,792. Interpreting the FDIC insurance coverage of \$250,000 for time deposits per financial institution and \$250,000 insurance for demand accounts, the Township had \$83,571 in uninsured deposits at March 31, 2017.

NOTE 4 - RECEIVABLES

\$47,345 of accounts receivable of governmental activities represent January and February state revenue sharing. \$10,331 of accounts receivable of governmental activities represent delinquent property taxes due from Leelanau County and individual taxpayers.

NOTE 5 - CAPITAL/INTANGIBLE ASSETS

	<u>3/31/16</u>	<u>Additions</u>	<u>Deletions</u>	<u>3/31/17</u>
Governmental Activities:				
Land and Improvements	\$ 1,336,356	\$ -	\$ -	\$ 1,336,356
Buildings and Improvements	356,299	14,700	-	370,999
Furniture, Vehicles and Equipment	<u>105,795</u>	<u>19,687</u>	-	<u>125,482</u>
Total	1,798,450	34,387	-	1,832,837
Less Accumulated Depreciation	<u>(280,850)</u>	<u>(48,136)</u>	-	<u>(328,986)</u>
Governmental Activities Capital Assets, Net	<u>\$ 1,517,600</u>	<u>\$ (13,749)</u>	<u>\$ -</u>	<u>\$ 1,503,851</u>

Depreciation of \$36,375 and \$11,761 was charged to the Recreation and General Governmental activities, respectively.

Suttons Bay Township  
Notes to Financial Statements  
March 31, 2017

NOTE 6 - LONG-TERM DEBT

A summary of bond and contract transactions for the year ended March 31, 2017 is as follows:

Governmental Activities

	<u>Balance</u> <u>3/31/16</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance</u> <u>3/31/17</u>	<u>Current</u> <u>Portion</u>
New Town Hall	\$ 56,338	\$ -	\$ (4,867)	\$ 51,471	\$ 51,471
Total Governmental Activities	<u>\$ 56,338</u>	<u>\$ -</u>	<u>\$ (4,867)</u>	<u>\$ 51,471</u>	<u>\$ 51,471</u>

Business-type Activities

A land contract for \$72,064 was issued in connection with the purchase of a new town hall. The contract is due in monthly installments of \$654 through June 12, 2017, with interest at 5.5%

\$ 51,471  
\$ 51,471

Annual debt service requirements to maturity for contracts and notes payable are as follows:

<u>Year Ending March 31,</u>	<u>Governmental Activities</u>	
	<u>Principal</u>	<u>Interest</u>
2018	<u>\$ 51,471</u>	<u>\$ 1,357</u>
Total	<u>\$ 51,471</u>	<u>\$ 1,357</u>

NOTE 7 - LOANS AND TRANSFERS BETWEEN FUNDS

There were three transfers during the audit year amounting to \$80 from the General Fund to the Road, Parks and General Improvement Fund and \$16,695 from the General Fund to the Technology Fund.

NOTE 8 - INVENTORIES

Suttons Bay Township does not maintain a substantial inventory of supplies or materials. Purchases are normally made as needed, and the items are recorded as expenses when purchased.

NOTE 9 - RETIREMENT PLAN

The Township participates in a money purchase pension plan for Michigan Township employees through Municipal Retirement Systems, Inc. By Board resolution, the Township pays a contribution of 11% of annual compensation. The plan covers all elected officials. The Township clerk is the plan administrator. Township contributions to the plan were \$8,518. All costs are paid by the Township. Covered payroll was \$77,439 for the 2016-2017 plan year out of a total payroll of \$167,083.

NOTE 10 - CONTINGENT LIABILITIES

Township officials are aware of no contingent liabilities as of March 31, 2017.

Suttons Bay Township  
Notes to Financial Statements  
March 31, 2017

NOTE 11- COMPENSATED ABSENCES

The Township does not provide for the payment to employees for sick leave, accumulated leave, etc.

NOTE 12- RISK MANAGEMENT

The Township 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 audit year the Township addressed these risks through the purchase of commercial insurance through Municipal Underwriters of Michigan. There was no significant reduction of insurance coverage from prior years nor have the amounts of any settlements exceeded insurance coverage in any of the past three fiscal years.

NOTE 13- PROPERTY TAX ADMINISTRATION FEES

As permitted by statute, the Township levied a 1% administration fee on all 2016 property taxes. This fee may be used only to offset such property tax administration expenses as assessing, collecting, and the review and appeal process. The Township has excess costs of \$4,147 and is in compliance with statutory requirements.

NOTE 14- SUBSEQUENT EVENTS

Subsequent events were evaluated through September 13, 2017, which is the date the financial statements were available to be issued.



SUPPLEMENTAL DATA SECTION

Suttons Bay Township  
Statement of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual  
General Fund  
For the Year Ended March 31, 2017

Schedule 1  
Page 1

<u>Revenues</u>	<u>Budgetary Amounts</u>		<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
<b>Taxes:</b>				
Current Taxes	\$ 124,230	\$ 176,425	\$ 130,939	\$ (45,486)
Delinquent Taxes	9,548	9,548	9,548	-
Fire Operations	480,925	480,925	480,925	-
Property Tax Administration Fees	66,500	66,500	62,048	(4,452)
<b>State Grants:</b>				
State Shared Revenues	186,964	186,964	186,607	(357)
<b>Charges for Services:</b>				
Fees and Permits	2,000	2,000	2,690	690
Zoning Services	33,000	33,000	31,359	(1,641)
Summer Tax Collection Fee	5,900	5,900	5,995	95
<b>Interest and Rents:</b>				
Earned Interest	2,000	2,000	523	(1,477)
<b>Other:</b>				
Refunds and Reimbursements	14,553	14,553	41,830	27,277
Other Revenues	1,300	1,300	1,065	(235)
<b>Total Revenues</b>	<b>926,920</b>	<b>979,115</b>	<b>953,529</b>	<b>(25,586)</b>
 <u>Expenditures</u>				
<b>Legislative:</b>				
<b>Township Board:</b>				
Salaries and Wages	-	-	4,398	-
Supplies and Postage	-	-	1,493	-
Telephone	-	-	2,916	-
Accounting and Legal	-	-	21,596	-
Office Rent	-	-	1,177	-
Printing and Publishing	-	-	1,010	-
Utilities	-	-	3,063	-
Dues	-	-	3,809	-
Equipment Lease	-	-	4,337	-
Other	-	-	1,669	-
<b>Total</b>	<b>45,600</b>	<b>45,600</b>	<b>45,468</b>	<b>132</b>
<b>Total Legislative</b>	<b>45,600</b>	<b>45,600</b>	<b>45,468</b>	<b>132</b>
 <b>General Government:</b>				
<b>Township Supervisor:</b>				
Salaries and Wages	-	-	17,595	-
<b>Total</b>	<b>17,595</b>	<b>17,595</b>	<b>17,595</b>	<b>-</b>
 <b>Elections:</b>				
Salaries and Wages	-	-	6,351	-
Office Supplies	-	-	3,873	-
<b>Total</b>	<b>8,700</b>	<b>10,700</b>	<b>10,224</b>	<b>476</b>

The Notes to the Basic Financial Statements are an integral part of this statement.

Suttons Bay Township  
Statement of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual  
General Fund  
For the Year Ended March 31, 2017

Schedule 1  
Page 2

	<u>Budgetary Amounts</u>		<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
<u>Expenditures (Continued)</u>				
General Government (Continued):				
Assessor:				
Salaries and Wages	-	-	48,705	-
Supplies and Postage	-	-	175	-
Service and Support	-	-	<u>854</u>	-
Total	<u>53,900</u>	<u>53,900</u>	<u>49,734</u>	<u>4,166</u>
Clerk:				
Salaries and Wages	-	-	<u>26,731</u>	-
Total	<u>27,031</u>	<u>27,031</u>	<u>26,731</u>	<u>300</u>
Board of Review:				
Salaries and Wages	-	-	563	-
Mileage and Travel	-	-	<u>268</u>	-
Total	<u>1,300</u>	<u>1,300</u>	<u>831</u>	<u>469</u>
Treasurer:				
Salaries and Wages	-	-	22,137	-
Salaries – School Contract	-	-	5,250	-
Supplies and Postage	-	-	2,177	-
Contract Services	-	-	2,000	-
Service and Support	-	-	<u>746</u>	-
Total	<u>32,847</u>	<u>35,085</u>	<u>32,310</u>	<u>2,775</u>
Parks and Recreation:				
Salaries and Wages	-	-	5,000	-
Operation Contracts	-	-	13,382	-
Maintenance and Repairs	-	-	<u>24,765</u>	-
Total	<u>51,800</u>	<u>70,795</u>	<u>43,147</u>	<u>27,648</u>
Cemetery:				
Salaries and Wages	-	-	1,000	-
Maintenance and Repairs	-	-	<u>3,735</u>	-
Total	<u>5,000</u>	<u>5,000</u>	<u>4,735</u>	<u>265</u>
Total General Government	<u>198,173</u>	<u>221,406</u>	<u>185,307</u>	<u>36,099</u>

The Notes to the Basic Financial Statements are an integral part of this statement.

Suttons Bay Township  
Statement of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual  
General Fund  
For the Year Ended March 31, 2017

Schedule 1  
Page 3

	<u>Budgetary Amounts</u>		<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
<u>Expenditures (Continued)</u>				
Public Safety:				
Fire Protection:				
Contractual	-	-	<u>480,925</u>	-
Total	<u>480,925</u>	<u>480,925</u>	<u>480,925</u>	-
Planning and Zoning:				
Salaries and Wages	-	-	83,221	-
Supplies and Postage	-	-	415	-
Fringe Benefits	-	-	3,363	-
Legal	-	-	2,727	-
Printing and Publishing	-	-	432	-
Dues	-	-	<u>260</u>	-
Total	<u>83,399</u>	<u>90,420</u>	<u>90,418</u>	<u>2</u>
Total Public Safety	<u>564,324</u>	<u>571,345</u>	<u>571,343</u>	<u>2</u>
Public Works:				
Roads	-	-	-	-
Total Public Works	-	-	-	-
Recreation and Culture:				
Recreation:				
Recreation Program	<u>500</u>	<u>500</u>	-	<u>500</u>
Library:				
Contractual Services	<u>66,460</u>	<u>66,460</u>	<u>49,845</u>	<u>16,615</u>
Total Recreation and Culture	<u>66,960</u>	<u>66,960</u>	<u>49,845</u>	<u>17,115</u>
Other:				
Insurance and Bonds	9,000	9,000	8,541	459
Pension	8,500	8,500	8,518	(18)
Spring Cleanup	3,100	3,100	2,990	110
Fringe Benefits	<u>9,000</u>	<u>9,000</u>	<u>8,060</u>	<u>940</u>
Total Other	<u>29,600</u>	<u>29,600</u>	<u>28,109</u>	<u>1,491</u>
Capital Outlay	<u>35,000</u>	<u>35,000</u>	<u>34,387</u>	<u>613</u>

The Notes to the Basic Financial Statements are an integral part of this statement.

Suttons Bay Township  
Statement of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual  
General Fund  
For the Year Ended March 31, 2017

Schedule 1  
Page 4

	<u>Budgetary Amounts</u>		<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
<u>Expenditures (Continued)</u>				
Total Expenditures	<u>939,657</u>	<u>969,911</u>	<u>914,459</u>	<u>55,452</u>
Excess Revenues (Expenditures)	<u>(12,737)</u>	<u>9,204</u>	<u>39,070</u>	<u>29,866</u>
<u>Other Financing Sources (Uses)</u>				
Operating Transfers In	-	-	-	-
Operating Transfers (Out)	<u>(16,855)</u>	<u>(16,855)</u>	<u>(16,695)</u>	<u>160</u>
Total	<u>(16,855)</u>	<u>(16,855)</u>	<u>(16,695)</u>	<u>160</u>
<u>Excess Revenues (Expenditures) and Other Financing Sources (Uses)</u>	(1) <u>\$ (29,592)</u>	<u>\$ (7,651)</u>	22,375	<u>\$ 30,026</u>
Fund Balance – Beginning of Year			<u>322,269</u>	
Fund Balance – End of Year			<u>\$ 344,644</u>	
(1) Budgeted from Fund Balance				

The Notes to the Basic Financial Statements are an integral part of this statement.

Suttons Bay Township  
Statement of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual  
Roads, Parks and General Improvement Fund  
For the Year Ended March 31, 2017

Schedule 2

	<u>Budgetary Amounts</u>		<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
<u>Revenues</u>				
Contributions	\$ -	\$ -	\$ 8,500	8,500
Earned Interest	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Revenues	<u>-</u>	<u>-</u>	<u>8,500</u>	<u>8,500</u>
<u>Expenditures</u>				
Total	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess Revenues (Expenditures)	<u>-</u>	<u>-</u>	<u>8,500</u>	<u>8,500</u>
<u>Other Financing Sources (Uses)</u>				
Operating Transfers In	-	-	80	80
Operating Transfers (Out)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total	<u>-</u>	<u>-</u>	<u>80</u>	<u>80</u>
<u>Excess Revenues (Expenditures) and Other Financing Sources (Uses)</u>	<u>\$ -</u>	<u>\$ -</u>	8,580	<u>\$ 8,580</u>
Fund Balance – Beginning of Year			<u>3,103</u>	
Fund Balance – End of Year			<u>\$ 11,683</u>	

The Notes to the Basic Financial Statements are an integral part of this statement.

Suttons Bay Township  
Statement of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual  
Special Election Millage Fund  
For the Year Ended March 31, 2017

Schedule 3

	<u>Budgetary Amounts</u>		<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
<u>Revenues</u>				
Property Taxes	\$ 100,000	\$ 100,000	\$ 106,742	\$ 6,742
Delinquent Taxes	8,910	8,910	8,100	(810)
Earned Interest	<u>-</u>	<u>-</u>	<u>183</u>	<u>183</u>
Total Revenues	<u>108,910</u>	<u>108,910</u>	<u>115,025</u>	<u>6,115</u>
<u>Expenditures – Building Authority</u>				
Total	<u>108,910</u>	<u>108,190</u>	<u>113,208</u>	<u>(4,298)</u>
Excess Revenues (Expenditures)	<u>-</u>	<u>-</u>	<u>1,817</u>	<u>1,817</u>
<u>Other Financing Sources (Uses)</u>				
Operating Transfers In	-	-	-	-
Operating Transfers (Out)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>Excess Revenues (Expenditures) and Other Financing Sources (Uses)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>1,817</u>	<u>\$ 1,817</u>
Fund Balance – Beginning of Year			<u>113,494</u>	
Fund Balance – End of Year			<u>\$ 115,311</u>	

The Notes to the Basic Financial Statements are an integral part of this statement.

Suttons Bay Township  
Combining Balance Sheet  
Non-Major Governmental Funds  
March 31, 2017

Schedule 4

<u>Assets</u>	<u>Metro Act Fund</u>	<u>Townhall Fund</u>	<u>Technology Fund</u>	<u>Cemetery Fund</u>	<u>Total</u>
Cash in Bank	\$ 32,210	\$ 401	\$ 16,615	\$ 11,570	\$ 60,796
Total Assets	<u>\$ 32,210</u>	<u>\$ 401</u>	<u>\$ 16,615</u>	<u>\$ 11,570</u>	<u>\$ 60,796</u>
 <u>Liabilities and Fund Equity</u>					
Liabilities:	\$ -	\$ -	\$ -	\$ -	\$ -
Total	-	-	-	-	-
Fund Equity:					
Fund Balance – Unreserved	<u>32,210</u>	<u>401</u>	<u>16,615</u>	<u>11,570</u>	<u>60,796</u>
Total	<u>32,210</u>	<u>401</u>	<u>16,615</u>	<u>11,570</u>	<u>60,796</u>
Total Liabilities and Fund Equity	<u>\$ 32,210</u>	<u>\$ 401</u>	<u>\$ 16,615</u>	<u>\$ 11,570</u>	<u>\$ 60,796</u>

The Notes to the Basic Financial statements are an integral part of this statement.



Suttons Bay Township  
Combining Statement of Revenues, Expenditures and Changes in Fund Balance  
Non-Major Governmental Funds  
March 31, 2017

Schedule 5

	<u>Metro Act Fund</u>	<u>Townhall Fund</u>	<u>Technology Fund</u>	<u>Cemetery Fund</u>	<u>Total</u>
Metro Act	\$ 7,476	\$ -	\$ -	\$ -	\$ 7,476
Cemetery Lot Sales	-	-	-	400	400
Earned Interest	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total	<u>7,476</u>	<u>-</u>	<u>-</u>	<u>400</u>	<u>7,876</u>
<u>Expenditures</u>					
Road Maintenance	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>Excess Revenues (Expenditures)</u>	<u>7,476</u>	<u>-</u>	<u>-</u>	<u>400</u>	<u>7,876</u>
<u>Other Financing Sources (Uses)</u>					
Operating Transfers In	-	-	16,615	-	16,615
Operating Transfers (Out)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total	<u>-</u>	<u>-</u>	<u>16,615</u>	<u>-</u>	<u>16,615</u>
<u>Excess Revenues (Expenditures) and Other Financing Sources (Uses)</u>	7,476	-	16,615	400	24,491
Fund Balance – Beginning of Year	<u>24,734</u>	<u>401</u>	<u>-</u>	<u>11,170</u>	<u>36,305</u>
Fund Balance – End of Year	<u>\$ 32,210</u>	<u>\$ 401</u>	<u>\$ 16,615</u>	<u>\$ 11,570</u>	<u>\$ 60,796</u>

The Notes to the Basic Financial statements are an integral part of this statement.

Suttons Bay Township  
Statement of Changes in Assets and Liabilities  
Current Tax Collection Fund  
For the Year Ended March 31, 2017

Schedule 6

	<u>Balance</u> <u>3/31/16</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>3/31/17</u>
<u>Assets</u>				
Cash	\$ 626	\$ 5,824,008	\$ 5,818,600	\$ 6,034
Total Assets	<u>\$ 626</u>	<u>\$ 5,824,008</u>	<u>\$ 5,818,600</u>	<u>\$ 6,034</u>
 <u>Liabilities</u>				
Undistributed Taxes and Interest	\$ 626	\$ 5,824,008	\$ 5,818,600	\$ 6,034
Total Liabilities	<u>\$ 626</u>	<u>\$ 5,824,008</u>	<u>\$ 5,818,600</u>	<u>\$ 6,034</u>

The Notes to the Basic Financial Statements are an integral part of this statement.

Suttons Bay Township  
2016 Property Tax Levy and Collections  
For the Year Ended March 31, 2017

Schedule 7

	<u>Millage Rate</u>	<u>Adjusted Levy</u>	<u>Collected</u>	<u>Returned Delinquent</u>
County Tax	3.5212	\$ 785,884	\$ 764,061	\$ 21,823
County Road	0.5000	111,585	104,542	7,043
County Senior	0.2735	61,031	57,179	3,852
County BATA	0.3447	76,923	72,068	4,855
School District – Suttons Bay and Leland	19.8200	2,055,874	1,981,186	74,688
School District – Northport	13.0893	482	482	-
State Education	6.0000	653,912	635,754	18,158
Intermediate School District	2.9299	1,338,329	1,301,142	37,187
Township Taxes:				
- General	0.5639	125,845	117,902	7,943
- Fire	2.3000	513,326	480,925	32,401
- Fire and Rescue Building	0.4800	107,121	100,360	6,761
Library	0.5000	111,585	104,542	7,043
Recycling	0.2500	59,405	57,188	2,217
Special Assessments		42,601	39,664	2,937
Property Tax Administration Fee		<u>7,047</u>	<u>7,013</u>	<u>34</u>
 Total		 <u>\$ 6,050,950</u>	 <u>\$ 5,824,008</u>	 <u>\$ 226,942</u>
 Percent of Levy Collected	 96.25%			

The Notes to the Basic Financial Statements are an integral part of this statement.

Suttons Bay Township  
Statement of Revenues, Expenditures and Balance  
Property Tax Administration Fees  
For the Year Ended March 31, 2017

Schedule 8

Revenues

Property Tax Administration Fees	\$ <u>68,043</u>
Total Revenues	<u>68,043</u>

Expenditures

Assessor	49,734
Board of Review	831
Treasurer – 60% of Salaries	13,282
Treasurer – School Contract	5,250
Postage and Supplies	2,177
Rent, Telephone, and Utilities – 10%	<u>916</u>
Total Expenditures	<u>72,190</u>
Excess Revenues (Expenditures) for the Year	<u>\$ (4,147)</u>

The Notes to the Basic Financial Statements are an integral part of this statement.