



**VILLAGE OF BELLEVUE, MICHIGAN  
EATON COUNTY  
ANNUAL FINANCIAL REPORT  
YEAR ENDED DECEMBER 31, 2024**

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## INDEPENDENT AUDITOR'S REPORT

To the Village Council  
Village of Bellevue  
Bellevue, Michigan

**Report on the Audit of the Financial Statements*****Opinions***

We have audited the accompanying financial statements of the governmental activities, business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the Village of Bellevue (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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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 the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the 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 and *Government 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 and *Government 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 with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

## ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, and OPEB schedules, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be

an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### ***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 accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, 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 schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

### **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated July 30, 2025, on our consideration of the Village's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Village's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Village's internal control over financial reporting and compliance.



Gabridge & Company, PLC  
Grand Rapids, Michigan  
July 30, 2025

**Village of Bellevue  
Management's Discussion and Analysis  
December 31, 2024**

As management of the Village of Bellevue, Michigan (the "Village" or "government") we offer readers of the Village's financial statements this narrative overview and analysis of the financial activities of the Village for the fiscal year ended December 31, 2024. We encourage readers to consider the information presented here in conjunction with the financial statements.

**Financial Highlights**

- The assets of the Village exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$6,376,224 (*net position*). Of this amount, \$1,406,673 represents unrestricted net position.
- Revenues were \$1,049,843 and expenses were \$638,506 for an increase in total net position of \$411,337 during the year.
- At the close of the current fiscal year, the Village's governmental funds reported combined fund balances of \$1,351,516, an increase of \$365,930 in comparison with the prior year. Approximately 81.4%, or \$1,100,757, of this amount is available for spending at the Village's discretion (*unassigned fund balance*).
- At the end of the current fiscal year, unassigned fund balance for the general fund was \$1,100,757, or approximately 215.1% of total general fund expenditures.

**Overview of the Financial Statements**

The discussion and analysis provided here is intended to serve as an introduction to the Village's basic financial statements. The Village's basic financial statements consist of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) the notes to financial statements. This report also includes supplementary information intended to furnish additional detail to support the basic financial statements themselves.

**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 financial information on all of the Village's assets and liabilities, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Village is improving or deteriorating.

The *statement of activities* presents information showing how the Village'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 for some items that will only result in cash flows in future fiscal periods (e.g., depreciation expense recorded on capital assets and changes in the Village's OPEB liability).

Both of the government-wide financial statements distinguish functions of the Village 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 general government, public safety, streets, recreation and culture, and community and economic development. The business-type activities of the Village include water and sewer services.

The government-wide financial statements included not only the Village itself (known as the *primary* government), but also a legally separate downtown development authority (the "DDA"). Financial information for this component unit is reported separately from the financial information presented for the primary government itself.

**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, 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 two categories: governmental funds and proprietary 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 assessing 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 three 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 major street fund, and the local street fund, which are all considered to be major funds.

The Village adopts an annual appropriated budget for the general fund and each special revenue fund. A budgetary comparison schedule for the general fund and each major special revenue fund has been provided to demonstrate compliance with these budgets.

**Proprietary Funds.** The Village maintains two types of proprietary funds. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The Village uses enterprises funds to account for its water and sewer operations. *Internal service funds* are an accounting device used to accumulate and allocate costs internally among the Village's various functions. The Village uses internal service funds to account for equipment costs and allocating the cost to the funds that are using the resources. Because these services predominantly benefit governmental rather than business-type functions, they have been included within the governmental activities in the government-wide financial statements.

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 water and sewer operations, both of which are considered to be major funds of the Village. The internal service fund data is presented in the proprietary fund financial statements.

**Notes to the Financial Statements.** The notes provide additional information that is necessary to acquire 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 *required supplementary information* concerning the Village's budgetary comparison schedules and other postemployment plan schedules.

### **Government-wide Overall Financial Analysis**

As noted earlier, net position over time may serve as a useful indicator of a government's financial position. In the case of the Village, assets exceeded liabilities and deferred inflows of resources by \$6,376,224 at the close of the most recent fiscal year.

The following schedule shows a comparison of the Village's assets, liabilities, and net position for each of the two most recent years:

**Village of Bellevue's Net Position**

	Governmental Activities		Business-type Activities		Total Primary Government	
	2024	2022	2024	2022	2024	2022
<b>ASSETS</b>						
<i>Current Assets</i>						
Cash and Cash Equivalents	\$ 1,282,233	\$ 1,121,124	\$ 92,590	\$ 247,585	\$ 1,374,823	\$ 1,368,709
Utility Bills Receivable	-	-	188,291	33,482	188,291	33,482
Due from Other Governmental Units	69,283	398,438	15,953	-	85,236	398,438
Leases Receivable, Current	-	-	11,562	-	11,562	-
<b>Total Current Assets</b>	<b>1,351,516</b>	<b>1,519,562</b>	<b>308,396</b>	<b>281,067</b>	<b>1,659,912</b>	<b>1,800,629</b>
<i>Noncurrent Assets</i>						
Capital Assets, net	1,025,864	531,104	4,022,682	1,525,581	5,048,546	2,056,685
Leases Receivable	-	-	303,588	-	303,588	-
Net OPEB Asset	112,645	-	22,380	-	135,025	-
<b>Total Assets</b>	<b>2,490,025</b>	<b>2,050,666</b>	<b>4,657,046</b>	<b>1,806,648</b>	<b>7,147,071</b>	<b>3,857,314</b>
<b>LIABILITIES</b>						
<i>Current Liabilities</i>						
Accounts Payable	-	3,508	21,267	12,410	21,267	15,918
Accrued Payroll Liabilities	-	5,575	-	5,199	-	10,774
Current Portion of Long-term Debt	14,412	-	77,084	-	91,496	-
<b>Total Current Liabilities</b>	<b>14,412</b>	<b>9,083</b>	<b>98,351</b>	<b>17,609</b>	<b>112,763</b>	<b>26,692</b>
<i>Noncurrent Liabilities</i>						
Net OPEB Liability	-	122,626	-	51,031	-	173,657
Unearned Revenue	-	136,383	-	-	-	136,383
Long-term Debt	53,321	-	308,334	-	361,655	-
<b>Total Liabilities</b>	<b>67,733</b>	<b>268,092</b>	<b>406,685</b>	<b>68,640</b>	<b>474,418</b>	<b>336,732</b>
<b>DEFERRED INFLOWS</b>						
OPEB Related	1,427	-	283	-	1,710	-
Deferred Lease Revenues	-	328,890	294,719	-	294,719	328,890
<b>Total Deferred Outflows of Resources</b>	<b>1,427</b>	<b>328,890</b>	<b>295,002</b>	<b>-</b>	<b>296,429</b>	<b>328,890</b>
<b>NET POSITION</b>						
Net Investment in Capital Assets	958,131	531,104	3,637,264	1,525,581	4,595,395	2,056,685
Restricted	351,776	508,011	22,380	-	374,156	508,011
Unrestricted	1,110,958	414,569	295,715	212,427	1,406,673	626,996
<b>Total Net Position</b>	<b>\$ 2,420,865</b>	<b>\$ 1,453,684</b>	<b>\$ 3,955,359</b>	<b>\$ 1,738,008</b>	<b>\$ 6,376,224</b>	<b>\$ 3,191,692</b>

By far, the largest portion of the Village's net position \$4,595,395 reflects its investment in capital assets (e.g., land, buildings, machinery, equipment, vehicles, and infrastructure), less any related outstanding debt that was used to acquire those assets. The Village uses these capital assets to provide a variety of services to its citizens. Accordingly, these assets are not available for future spending. Although the Village's investment in capital assets is reported net of related debt, it should be noted that the resources used to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the Village's net position of \$374,156 represents resources that are subject to external restrictions on how they may be used. The remaining unrestricted balance is a balance of \$1,406,673.

The most significant change from the prior two years ago (last audited figures) was the increase in capital assets as the Village was awarded a large EGLE grant in the current fiscal year. Additionally, the Village's net OPEB liability turned into a net OPEB asset as the Village contributed to the plan in excess.

The Village's overall net position increased \$1,565,452 from the prior fiscal year. The reasons for this overall increase are discussed in the following sections for governmental activities and business-type activities.

**Governmental Activities.** During the current fiscal year, net position for governmental activities increased \$411,337 from the prior fiscal year for an ending balance of \$2,420,865 The Village received \$226,454 of settlement proceeds from divesting from the Bellevue Community Fire Board.

**Business-type Activities.** For the Village’s business-type activities, the results for the current fiscal year led to an increase in overall net position of \$1,154,115 leading to an ending net position of \$3,955,359. Most significantly capital grants and contributions were significant in the past two fiscal years with \$1,074,184 earned during the current fiscal year.

The following schedules shows comparative revenues and expenses of the Village for the two most recently audited years:

**Villag of Bellevue's Changes in Net Position**

	Governmental Activities		Business-type Activities		Total Primary Government	
	2024	2022	2024	2022	2024	2020
<b>Revenues</b>						
<b>Program Revenues</b>						
Charges for Services	\$ 38,446	\$ 112,197	\$ 705,774	\$ 634,864	\$ 744,220	\$ 747,061
Operating Grants and Contributions	255,792	245,670	-	-	255,792	245,670
Capital Grants and Contributions	33,703	-	1,074,184	-	1,107,887	-
<b>Total Program Revenues</b>	<u>327,941</u>	<u>357,867</u>	<u>1,779,958</u>	<u>634,864</u>	<u>2,107,899</u>	<u>992,731</u>
<b>General Revenues</b>						
Property Taxes	295,072	261,434	-	-	295,072	261,434
Intergovernmental	185,691	176,073	-	-	185,691	176,073
Settlement Proceeds	226,454	-	-	-	226,454	-
Interest Income	14,685	12,206	2,127	892	16,812	13,098
<b>Total General Revenues</b>	<u>721,902</u>	<u>449,713</u>	<u>2,127</u>	<u>892</u>	<u>724,029</u>	<u>450,605</u>
<b>Total Revenues</b>	<u>1,049,843</u>	<u>807,580</u>	<u>1,782,085</u>	<u>635,756</u>	<u>2,831,928</u>	<u>1,443,336</u>
<b>Net Transfers</b>	<u>-</u>	<u>(23,350)</u>	<u>-</u>	<u>23,350</u>	<u>-</u>	<u>-</u>
<b>Expenses</b>						
General Government	129,665	173,851	-	-	129,665	173,851
Public Safety	177,447	175,594	-	-	177,447	175,594
Public Works	312,237	329,158	-	-	312,237	329,158
Community and Economic Development	1,040	1,035	-	-	1,040	1,035
Recreation and Culture	13,436	14,330	-	-	13,436	14,330
Interest on Long-term Debt	4,681	-	-	-	4,681	-
Sewer System Operations	-	-	376,457	528,755	376,457	528,755
Water System Operations	-	-	251,513	217,976	251,513	217,976
<b>Total Expenses</b>	<u>638,506</u>	<u>693,968</u>	<u>627,970</u>	<u>746,731</u>	<u>1,266,476</u>	<u>1,440,699</u>
<b>Change in Net Position</b>	<u>411,337</u>	<u>90,262</u>	<u>1,154,115</u>	<u>(87,625)</u>	<u>1,565,452</u>	<u>2,637</u>
Net Position at the Beginning of Period	2,009,528	1,363,422	2,801,244	1,825,633	4,810,772	3,189,055
<b>Net Position at the End of Period</b>	<u>\$ 2,420,865</u>	<u>\$ 1,453,684</u>	<u>\$ 3,955,359</u>	<u>\$ 1,738,008</u>	<u>\$ 6,376,224</u>	<u>\$ 3,191,692</u>

**Financial Analysis of Governmental 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 discretionary use as they represent the portion of fund balance which has not yet been limited to use for a particular purpose by either an external party, the Village itself, or a group or individual that has been delegated authority to assign resources for use for particular purposes by the Village’s Council.

At December 31, 2024, the Village's governmental funds reported combined fund balances of \$1,351,516, an increase of \$365,930 in comparison with the prior year. Approximately 81.4% of this amount (\$1,100,757) constitutes *unassigned fund balance*, which is available for spending at the government's discretion. The remainder of the fund balance is either *assigned* or *restricted* to indicate that it is: 1) assigned for maintaining a dam on a river on Village property (\$11,628, or 0.9%) or 2) or restricted for major and local streets (\$239,131, or 17.7%).

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 \$1,100,757. As a measure of the general fund's liquidity, it may be useful to compare unassigned fund balance to total general fund expenditures. Unassigned fund balance represents approximately 215.1% of total general fund expenditures.

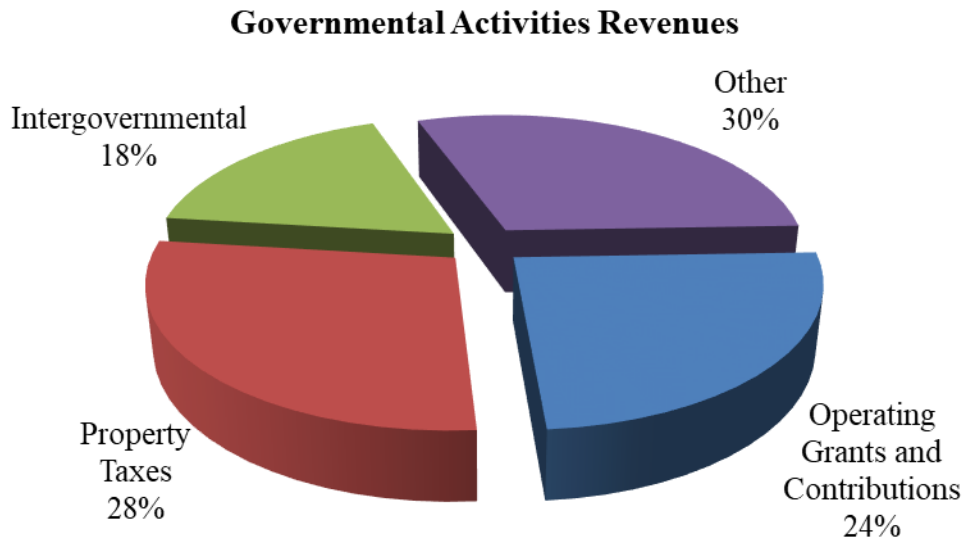
The local streets fund, a major fund, decreased by \$9,863 during the current fiscal year for an ending balance of \$12,377.

The major streets fund, a major fund, had a \$137,681 increase in fund balance during the current fiscal year which put the overall fund balance at \$226,754.

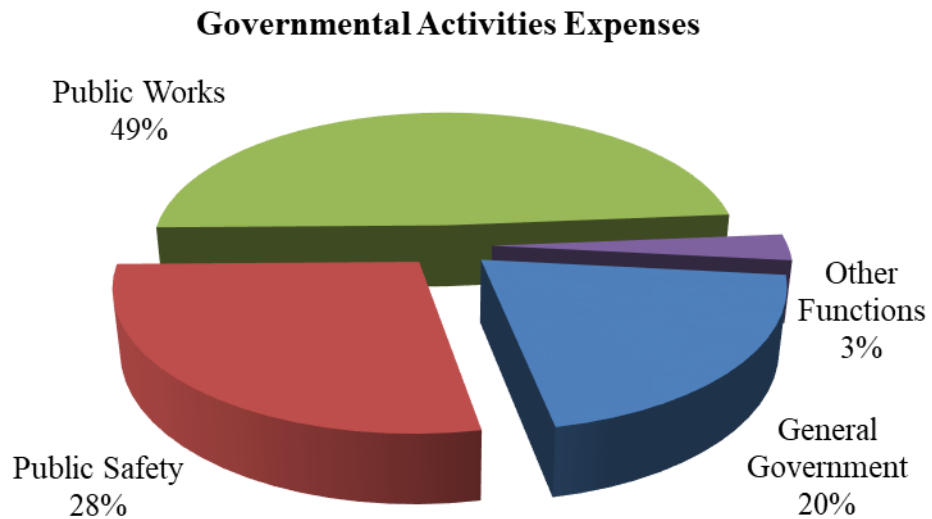
***Proprietary Funds.*** The Village's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail. Unrestricted net position of the water fund at the end of the year was \$96,429 and \$199,286 for the sewer fund. The increase in net position for the water fund was \$144,649 and the increase in net position for the sewer fund was \$144,649.

## Governmental Activities

The following chart summarizes the revenue sources for the governmental activities of the Village for the most recent fiscal year-end.



The following chart summarizes the expenses for the governmental activities of the Village for the most recent fiscal year-end.



## **General Fund Budgetary Highlights**

*Original budget compared to final budget.* There no budget amendments made during the fiscal year ended December 31, 2024.

*Final budget compared to actual results.* The Village had no expenditures in excess of the amounts appropriated as of December 31, 2024.

## **Capital Assets and Debt Administration**

**Capital Assets.** The Village's investment in capital assets for its governmental and business-type activities as of December 31, 2024 amounts to \$2,991,861 (net of accumulated depreciation), which represents an increase of \$2,991,861 (or 145.5%) from the previous audited year. This investment in capital assets includes land, buildings, equipment, vehicles, streets infrastructure, and water and sewer infrastructure. More detailed information can be found in the notes to the financial statements.

**Long-term Debt.** As described in notes to the financial statements, the Village had \$453,151 in long-term debt at the end of the fiscal year. The Village is well under its legal debt limit as of year-end.

## **Economic Condition and Outlook**

Management estimates similar revenues will be available for appropriation in the general fund in the upcoming year. The Village continues to review all budget line items for opportunities to reduce expenditures when possible. The budget will be monitored during the year to identify any necessary amendments. In 2025, the Village plans again to use current revenues to provide essential services and to maintain the Village's financial reserves at similar levels. Property tax revenues are expected to change minimally reflecting fairly stable property values.

## **Contacting the Village**

This financial report is designed to provide a general overview of the Village's finances to its citizens, customers, investors, and creditors and to demonstrate the Village's accountability for the resources it receives. Questions regarding any information provided in this report or requests for additional financial information should be addressed to:

Bellevue Village Hall  
201 N. Main Street  
Bellevue, MI 49021

**Village of Bellevue**  
**Statement of Net Position**  
**December 31, 2024**

	<b>Primary Government</b>			<b>Component Unit - DDA</b>
	<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>	
<b>ASSETS</b>				
<i>Current Assets</i>				
Cash and Cash Equivalents	\$ 1,282,233	\$ 92,590	\$ 1,374,823	\$ 52,111
Utility Bills Receivable	--	188,291	188,291	--
Due from Other Governmental Units	69,283	15,953	85,236	--
Leases Receivable, Current	--	11,562	11,562	--
<b>Total Current Assets</b>	<b>1,351,516</b>	<b>308,396</b>	<b>1,659,912</b>	<b>52,111</b>
<i>Noncurrent Assets</i>				
Capital Assets not being Depreciated	85,836	2,558,822	2,644,658	--
Capital Assets being Depreciated, net	940,028	1,463,860	2,403,888	--
Lease Receivable, Noncurrent	--	303,588	303,588	--
Net OPEB Asset	112,645	22,380	135,025	--
<b>Total Assets</b>	<b>2,490,025</b>	<b>4,657,046</b>	<b>7,147,071</b>	<b>52,111</b>
<b>LIABILITIES</b>				
<i>Current Liabilities</i>				
Accounts Payable	--	21,267	21,267	--
Current Portion of Long-term Debt	14,412	77,084	91,496	--
<b>Total Current Liabilities</b>	<b>14,412</b>	<b>98,351</b>	<b>112,763</b>	<b>--</b>
<i>Noncurrent Liabilities</i>				
Long-term Debt	53,321	308,334	361,655	--
<b>Total Liabilities</b>	<b>67,733</b>	<b>406,685</b>	<b>474,418</b>	<b>--</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
OPEB Related	1,427	283	1710	--
Deferred Lease Revenues	--	294,719	294,719	--
<b>Total Deferred Inflows of Resources</b>	<b>1,427</b>	<b>295,002</b>	<b>296,429</b>	<b>--</b>
<b>NET POSITION</b>				
Investment in Capital Assets	958,131	3,637,264	4,595,395	--
<i>Restricted for:</i>				
Streets and Highways	239,131	--	239,131	--
OPEB	112,645	22,380	135,025	--
<i>Unrestricted</i>	1,110,958	295,715	1,406,673	52,111
<b>Total Net Position</b>	<b>\$ 2,420,865</b>	<b>\$ 3,955,359</b>	<b>\$ 6,376,224</b>	<b>\$ 52,111</b>

The Notes to the Financial Statements are an integral part of these Financial Statements

**Village of Bellevue  
Statement of Activities  
For the Year Ended December 31, 2024**

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue			Component Unit - DDA
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total	
<b>Primary Government</b>								
<b>Governmental Activities:</b>								
General Government	\$ 129,665	\$ 10,536	\$ --	\$ --	\$ (119,129)	\$ --	\$ (119,129)	\$ --
Public Safety	177,447	530	--	--	(176,917)	--	(176,917)	--
Public Works	312,237	26,940	255,792	33,703	4,198	--	4,198	--
Community and Economic Development	1,040	440	--	--	(600)	--	(600)	--
Recreation and Culture	13,436	--	--	--	(13,436)	--	(13,436)	--
Interest on Long-term Debt	4,681	--	--	--	(4,681)	--	(4,681)	--
<b>Total Governmental Activities</b>	<b>638,506</b>	<b>38,446</b>	<b>255,792</b>	<b>33,703</b>	<b>(310,565)</b>	<b>--</b>	<b>(310,565)</b>	<b>--</b>
<b>Business-type Activities:</b>								
Sewer	376,457	412,485	--	973,205	--	1,009,233	1,009,233	--
Water	251,513	293,289	--	100,979	--	142,755	142,755	--
<b>Total Business-type Activities</b>	<b>627,970</b>	<b>705,774</b>	<b>--</b>	<b>1,074,184</b>	<b>--</b>	<b>1,151,988</b>	<b>1,151,988</b>	<b>--</b>
<b>Total Primary Government</b>	<b>\$ 1,266,476</b>	<b>\$ 744,220</b>	<b>\$ 255,792</b>	<b>\$ 1,107,887</b>	<b>\$ (310,565)</b>	<b>\$ 1,151,988</b>	<b>\$ 841,423</b>	<b>--</b>
<b>Component Unit</b>								
Downtown Development Authority	\$ 14,266	\$ --	\$ 29,604	\$ --	--	--	--	15,338
<b>Total Component Unit</b>	<b>\$ 14,266</b>	<b>\$ --</b>	<b>\$ 29,604</b>	<b>\$ --</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>15,338</b>
<b>General Purpose Revenues:</b>								
					295,072	--	295,072	--
					185,691	--	185,691	--
					226,454	--	226,454	--
					14,685	2,127	16,812	556
					<b>721,902</b>	<b>2,127</b>	<b>724,029</b>	<b>556</b>
					<b>411,337</b>	<b>1,154,115</b>	<b>1,565,452</b>	<b>15,894</b>
					2,009,528	2,801,244	4,810,772	36,217
					<b>\$ 2,420,865</b>	<b>\$ 3,955,359</b>	<b>\$ 6,376,224</b>	<b>\$ 52,111</b>

The Notes to the Financial Statements are an integral part of these Financial Statements

**Village of Bellevue  
Balance Sheet  
Governmental Funds  
December 31, 2024**

	Special Revenue			Total Governmental Funds
	General	Local Streets	Major Streets	
<b>ASSETS</b>				
Cash and Cash Equivalents	\$ 1,081,665	\$ --	\$ 200,568	\$ 1,282,233
Due from Other Governmental Units	30,720	12,377	26,186	69,283
<i>Total Assets</i>	<b>\$ 1,112,385</b>	<b>\$ 12,377</b>	<b>\$ 226,754</b>	<b>\$ 1,351,516</b>
<b>LIABILITIES</b>				
<i>Total Liabilities</i>	--	--	--	--
<b>FUND BALANCE</b>				
Restricted	--	12,377	226,754	239,131
Assigned	11,628	--	--	11,628
Unassigned	1,100,757	--	--	1,100,757
<i>Total Fund Balance</i>	1,112,385	12,377	226,754	1,351,516
<i>Total Liabilities and Fund Balance</i>	<b>\$ 1,112,385</b>	<b>\$ 12,377</b>	<b>\$ 226,754</b>	<b>\$ 1,351,516</b>

The Notes to the Financial Statements are an integral part of these Financial Statements

**Village of Bellevue**  
**Reconciliation of Governmental Funds Balance Sheet to the Statement of Net Position**  
**December 31, 2024**

Total Fund Balance - Governmental Funds	\$	1,351,516
Net Position of internal service funds that are treated as proprietary in the fund level statements are treated as governmental in the entity-wide statements		102,442
Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in the governmental funds. This represents capital assets of \$1,767,674 less accumulated depreciation of \$911,985.		855,689
The OPEB liability (asset) and related deferrals is not due and payable in the current period and, therefore, is not reported in the governmental funds.		111,218
<b>Total Net Position - Governmental Activities</b>	<b>\$</b>	<b><u>2,420,865</u></b>

**Village of Bellevue**  
**Statement of Revenues, Expenditures, and Changes in Fund Balance**  
**Governmental Funds**  
**For the Year Ended December 31, 2024**

	Special Revenue			Total Governmental Funds
	General	Local Streets	Major Streets	
<b>Revenues</b>				
Property Taxes	\$ 295,072	\$ --	\$ --	\$ 295,072
Licenses and Permits	890	--	--	890
Intergovernmental	203,658	90,968	146,732	441,358
Charges for Services	440	--	--	440
Fines and Forfeits	530	--	--	530
Interest and Rents	15,099	257	1,023	16,379
Other Revenue	230,211	125	33,703	264,039
Sale of Fixed Assets	4,000	--	--	4,000
<b>Total Revenues</b>	749,900	91,350	181,458	1,022,708
<b>Expenditures</b>				
General Government	156,773	--	--	156,773
Public Safety	247,592	--	--	247,592
Public Works	103,263	101,213	43,777	248,253
Community and Economic Development	1,040	--	--	1,040
Recreation and Culture	3,120	--	--	3,120
<b>Total Expenditures</b>	511,788	101,213	43,777	656,778
<b>Excess of Revenues Over (Under) Expenditures</b>	238,112	(9,863)	137,681	365,930
<b>Net Change in Fund Balance</b>	<b>238,112</b>	<b>(9,863)</b>	<b>137,681</b>	<b>365,930</b>
<i>Fund Balance at Beginning of Period</i>	874,273	22,240	89,073	985,586
<b>Fund Balance at End of Period</b>	<b>\$ 1,112,385</b>	<b>\$ 12,377</b>	<b>\$ 226,754</b>	<b>\$ 1,351,516</b>

The Notes to the Financial Statements are an integral part of these Financial Statements

**Village of Bellevue**  
**Reconciliation of Governmental Funds Statement of Revenues, Expenditures, and**  
**Changes in Fund Balance with Statement of Activities**  
**For the Year Ended December 31, 2024**

Total Net Change in Fund Balances - Governmental Funds	\$	365,930
Changes in net position of internal service funds that are treated as enterprise fund changes in net position in the fund level statements are treated as governmental fund changes in net position in the entity-wide statements		(77,989)
Governmental funds report outlays for capital assets as expenditures. However, in the statement of activities, the cost of these assets is allocated over their estimated useful lives and reported as depreciation expense. This represents current year depreciation expense of \$72,786 net of capital outlay expenditures of \$38,101.		(34,685)
Expenses related to the change in the OPEB liability (asset) and related deferrals do not require current financial resources and, therefore, are not reported as expenditures in the governmental funds.		158,081
<b>Changes in Net Position - Governmental Activities</b>	<b>\$</b>	<b><u>411,337</u></b>

**Village of Bellevue  
Statement of Net Position  
Proprietary Funds  
December 31, 2024**

	<b>Business-type Activities - Enterprise Funds</b>			<b>Governmental Activities Internal Service Fund</b>
	<b>Sewer</b>	<b>Water</b>	<b>Total Enterprise Funds</b>	
<b>ASSETS</b>				
<i>Current Assets</i>				
Cash and Cash Equivalents	\$ 92,590	\$ --	\$ 92,590	\$ --
Utility Bills Receivable	111,228	77,063	188,291	--
Due from Other Governmental Units	11,203	4,750	15,953	--
Leases Receivable, Current	--	11,562	11,562	--
<b>Total Current Assets</b>	<b>215,021</b>	<b>93,375</b>	<b>308,396</b>	<b>--</b>
<i>Noncurrent Assets</i>				
Capital Assets not being Depreciated	1,794,095	764,727	2,558,822	--
Capital Assets being Depreciated, net	878,028	585,832	1,463,860	170,175
Lease Receivable, Noncurrent	--	303,588	303,588	--
Net OPEB Asset	22,380	--	22,380	--
<b>Total Assets</b>	<b>2,909,524</b>	<b>1,747,522</b>	<b>4,657,046</b>	<b>170,175</b>
<b>LIABILITIES</b>				
<i>Current Liabilities</i>				
Accounts Payable	15,452	5,815	21,267	--
Current Portion of Long-term Debt	--	77,084	77,084	14,412
<b>Total Current Liabilities</b>	<b>15,452</b>	<b>82,899</b>	<b>98,351</b>	<b>14,412</b>
<i>Noncurrent Liabilities</i>				
Long-term Debt	--	308,334	308,334	53,321
<b>Total Liabilities</b>	<b>15,452</b>	<b>391,233</b>	<b>406,685</b>	<b>67,733</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
OPEB Related	283	--	283	--
Deferred Lease Revenues	--	294,719	294,719	--
<b>Total Deferred Inflows of Resources</b>	<b>283</b>	<b>294,719</b>	<b>295,002</b>	<b>--</b>
<b>NET POSITION</b>				
Investment in Capital Assets	2,672,123	965,141	3,637,264	102,442
<i>Restricted for:</i>				
OPEB	22,380	--	22,380	--
<i>Unrestricted</i>	199,286	96,429	295,715	--
<b>Total Net Position</b>	<b>\$ 2,893,789</b>	<b>\$ 1,061,570</b>	<b>\$ 3,955,359</b>	<b>\$ 102,442</b>

The Notes to the Financial Statements are an integral part of these Financial Statements

**Village of Bellevue**  
**Statement of Revenues, Expenses, and Changes in Net Position**  
**Proprietary Funds**  
**For the Year Ended December 31, 2024**

	<b>Business-type Activities - Enterprise Funds</b>			<b>Governmental Activities Internal Service Fund</b>
	<b>Sewer</b>	<b>Water</b>	<b>Total Enterprise Funds</b>	
<b>Operating Revenues</b>				
Charges for Services	\$ 412,485	\$ 268,061	\$ 680,546	\$ 55,788
<b>Total Operating Revenues</b>	<b>412,485</b>	<b>268,061</b>	<b>680,546</b>	<b>55,788</b>
<b>Operating Expenses</b>				
Personnel Services	204,475	109,686	314,161	43,315
Supplies	16,135	12,448	28,583	3,610
Utilities	33,703	16,298	50,001	691
Repairs and Maintenance	18,442	33,040	51,482	31,164
Equipment Rental	9,206	7,700	16,906	1,316
Miscellaneous	51,378	24,641	76,019	7,567
Depreciation	43,118	47,700	90,818	55,053
<b>Total Operating Expenses</b>	<b>376,457</b>	<b>251,513</b>	<b>627,970</b>	<b>142,716</b>
<b>Operating Income (Loss)</b>	<b>36,028</b>	<b>16,548</b>	<b>52,576</b>	<b>(86,928)</b>
<b>Non-Operating Revenues (Expenses)</b>				
Other Revenue	--	25,228	25,228	--
Interest Income	233	1,894	2,127	195
Non Operating Grants	973,205	100,979	1,074,184	--
Sale of Fixed Assets	--	--	--	13,425
Interest Expense	--	--	--	(4,681)
<b>Net Non-Operating Revenues (Expenses)</b>	<b>973,438</b>	<b>128,101</b>	<b>1,101,539</b>	<b>8,939</b>
<b>Change In Net Position</b>	<b>1,009,466</b>	<b>144,649</b>	<b>1,154,115</b>	<b>(77,989)</b>
<i>Net Position at Beginning of Period</i>	1,884,323	916,921	2,801,244	180,431
<b>Net Position at End of Period</b>	<b>\$ 2,893,789</b>	<b>\$ 1,061,570</b>	<b>\$ 3,955,359</b>	<b>\$ 102,442</b>

The Notes to the Financial Statements are an integral part of these Financial Statements

**Village of Bellevue**  
**Statement of Cash Flows**  
**Proprietary Funds**  
**For the Year Ended December 31, 2024**

	<u>Business-type Activities - Enterprise Funds</u>			<u>Governmental</u>
	<u>Sewer</u>	<u>Water</u>	<u>Total Enterprise</u>	<u>Internal Service</u>
			<u>Funds</u>	<u>Fund</u>
<b>Cash Flows from Operating Activities</b>				
Cash Received from Charges for Service	\$ 417,790	\$ 253,026	\$ 670,816	\$ 55,788
Cash Payments to Employees for Services and Fringe Benefits	(235,882)	(109,686)	(345,568)	(43,315)
Cash Payments to Suppliers for Good and Services	(797,077)	(101,146)	(898,223)	(46,096)
<b>Net Cash Provided (Used) by Operating Activities</b>	<u>(615,169)</u>	<u>42,194</u>	<u>(572,975)</u>	<u>(33,623)</u>
<b>Cash Flows from Non-capital Financing Activities</b>				
Nonoperating Revenues	-	53,216	53,216	-
Reduction of Interfund Balances	(9,535)	(15,470)	(25,005)	-
<b>Net Cash Provided by Non-capital Financing Activities</b>	<u>(9,535)</u>	<u>37,746</u>	<u>28,211</u>	<u>-</u>
<b>Cash Flows from Capital and Related Financing Activities</b>				
Purchases of Capital Assets	(973,206)	(100,979)	(1,074,185)	(78,900)
Sale of Capital Assets	-	-	-	13,425
Capital Grants	1,690,267	96,229	1,786,496	-
Issuances of Long-term Debt	-	-	-	78,900
Principal Payments on Long-term Debt	-	(77,084)	(77,084)	(11,164)
Interest Payments on Long-term Debt	-	-	-	(4,681)
<b>Net Cash Provided (Used) by Capital and Related Financing Activities</b>	<u>717,061</u>	<u>(81,834)</u>	<u>635,227</u>	<u>(2,420)</u>
<b>Cash Flows from Investing Activities</b>				
Interest Income	233	1,894	2,127	195
<b>Net Cash Provided by Investing Activities</b>	<u>233</u>	<u>1,894</u>	<u>2,127</u>	<u>195</u>
Net Increase (Decrease) in Cash and Cash Equivalents	92,590	-	92,590	(35,848)
<i>Cash and Cash Equivalents - Beginning of Year</i>	-	-	-	35,848
<b>Cash and Cash Equivalents - End of Year</b>	<u>\$ 92,590</u>	<u>\$ -</u>	<u>\$ 92,590</u>	<u>\$ -</u>

The Notes to the Financial Statements are an integral part of these Financial Statements

**Village of Bellevue**  
**Statement of Cash Flows**  
**Proprietary Funds**  
**For the Year Ended December 31, 2024**

	<u>Business-type Activities - Enterprise Funds</u>			<u>Governmental</u>
	<u>Sewer</u>	<u>Water</u>	<u>Total Enterprise Funds</u>	<u>Activities Internal Service Fund</u>
<b>Reconciliation of Operating Income (Loss) to</b>				
<b>Net Cash Provided (Used) by Operating Activities</b>				
<b>Operating Income (Loss)</b>	\$ 36,028	\$ 16,548	\$ 52,576	\$ ( 86,928 )
<b>Adjustments to Reconcile Operating Income (Loss) to</b>				
<b>Net Cash Provided (Used) by Operating Activities</b>				
Depreciation Expense	43,118	47,700	90,818	55,053
<b>Changes in Assets and Liabilities</b>				
Utility Bills Receivables	5,305	(15,035)	(9,730)	-
Accounts Payable	(668,213)	(7,019)	(675,232)	(1,748)
Net OPEB Liability (Asset) and Related Deferrals	(31,407)	-	(31,407)	-
<b>Net Cash Provided (Used) by Operating Activities</b>	<u>\$ (615,169)</u>	<u>\$ 42,194</u>	<u>\$ (572,975)</u>	<u>\$ (33,623)</u>

The Notes to the Financial Statements are an integral part of these Financial Statements

**Village of Bellevue**  
**Statement of Fiduciary Net Position**  
**Fiduciary Funds**  
**December 31, 2024**

	<b>Pension and Benefit Trust</b>	<b>Custodial Funds</b>
	<b>OPEB Trust</b>	<b>Health Care Savings Program</b>
<b>ASSETS</b>		
Investments	\$ 390,865	\$ 14,649
<b>Total Assets</b>	390,865	14,649
<b>LIABILITIES</b>		
Due to Participants	--	14,649
<b>Total Liabilities</b>	--	14,649
<b>NET POSITION</b>		
Restricted for OPEB	390,865	--

The Notes to the Financial Statements are an integral part of these Financial Statements

**Village of Bellevue**  
**Statement of Changes in Fiduciary Net Position**  
**Fiduciary Funds**  
**For the Year Ended December 31, 2024**

	<u>Pension and Benefit Trust</u>	<u>Custodial Funds</u>
	<u>OPEB Trust</u>	<u>Health Care Savings Program</u>
<b>ADDITIONS</b>		
Contributions	\$ 129,727	
Investment Income	23,916	
<b>Total Additions</b>	<u>153,643</u>	<u>--</u>
<b>DEDUCTIONS</b>		
Benefit Payments, including Refunds	14,850	\$ --
Administrative Expenses	715	--
<b>Total Deductions</b>	<u>15,565</u>	<u>--</u>
<b>Net Increase (Decrease) in Net Position</b>	<b>138,078</b>	<b>--</b>
<i>Net Position at Beginning of Period</i>	<i>252,787</i>	<i>--</i>
<b>Net Position at End of Period</b>	<b><u>\$ 390,865</u></b>	<b><u>\$ --</u></b>

The Notes to the Financial Statements are an integral part of these Financial Statements

# Village of Bellevue

## Notes to the Financial Statements

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### **Note 1 - Summary of Significant Accounting Policies**

The Village of Bellevue (the “Village” or “government”) have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (“GASB”) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The more significant of the Village’s accounting policies are described below.

#### **Reporting Entity**

The Village was incorporated under the provisions of Public Act (PA) 3, P.A. of 1895, as amended, as a General Law Village. The Village operates under a President-Council form of government and provides the following services as authorized by the public act: public safety, public works, culture and recreation, public improvement, and general administration services. In addition, the Village owns and operates a water and sewer system.

As required by generally accepted accounting principles, these financial statements present the Village and its component unit, an entity for which the Village is considered to be financially accountable. The component unit is reported in a separate column in the government-wide financial statements to emphasize that it is legally separate from the Village.

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

##### ***Downtown Development Authority***

The members of the governing board of the Village of Bellevue Downtown Development Authority are appointed by the Village President, subject to approval by a majority vote of the Village Council. The budgets and expenditures of the Downtown Development Authority must be approved by the Village Council. The Village also has the ability to significantly influence operations of the Downtown Development Authority. Complete financial statements for the component unit are not separately prepared.

#### **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 and its component units. 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. Likewise, the primary government is reported separately from the legally separate component unit for which the primary government is financially accountable.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segments are offset by program revenues. Direct expenses are those that are clearly identifiable

## Village of Bellevue

### Notes to the Financial Statements

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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 and proprietary funds. 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 financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the 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 Village considers revenues to be available if they are collected within 60 days of the end of the current fiscal period or within one year for expenditure driven grants. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service and accrued employee benefit expenditures are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

Property taxes, intergovernmental revenue, charges for services, 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.

The Village reports the following major governmental funds:

The **general fund** is the Village's primary operating fund. It accounts for all financial resources of the general government, except those accounted for and reported in another fund.

## Village of Bellevue

### Notes to the Financial Statements

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The **major streets fund** accounts for the revenue received from the State of Michigan under Act 51 which is specifically earmarked for construction and maintenance of roads or streets designated as major streets in Village.

The **local streets fund** accounts for the revenue received from the State of Michigan under Act 51 which is specifically earmarked for construction and maintenance of roads or streets designated as local streets in the Village.

The Village reports the following major proprietary funds:

The **water fund** accounts for the cost of providing water services to Village residents. Revenues are primarily from charges to customers for water usage. These revenues are used to pay operating costs and principal and interest on revenue bonds and general obligation bonds which were used to finance improvements to the system.

The **sewer fund** accounts for the cost of collecting and treating wastewater. Revenues are primarily from service charges to customers. These revenues are also used to pay principal and interest on revenue bonds and general obligation bonds which were used to finance improvements to the system.

Additionally, the Village reports the following fund type:

The **internal service fund** accounts for the financing of goods or services provided by the Village to other departments or funds on a cost reimbursement basis.

The **OPEB trust fund** accounts for the activities of the Village's other post-employment benefit plan, which accumulates resources for retiree health care payments to qualified employees.

The **health care savings program** fund is custodial in nature and does not present results of operations or have a measurement focus. The custodial fund is accounted for using the accrual basis of accounting. This fund is used to account for assets that the government holds for others in a custodial capacity.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments-in-lieu of taxes and other charges between the Village's water and sewer function and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Proprietary funds distinguish *operating* revenues and expenses from *non-operating* 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

## Village of Bellevue

### Notes to the Financial Statements

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for the enterprise funds include depreciation on capital assets, labor, supplies and contracted services. All revenues and expenses are not meeting this definition are reported as nonoperating revenues and expenses.

#### **Assets, Liabilities, Deferred Inflows of Resources, and Net Position and Fund Balance**

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

The Village's cash and cash equivalents include amounts in demand deposit accounts and short-term investments with original maturities of three months or less from the date of acquisition. Investments are stated at fair value.

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

State statutes authorize the Village to invest in:

- a. Bonds, securities, other obligations and repurchase agreements of the United States of America, or an agency or instrumentality of the United States of America.
- 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.
- 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 through December 31, 1997.

##### ***Receivables and Payables***

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year and all other outstanding balances between funds are referred to as "due to/from other funds" (i.e., the current portion of interfund loans). Any residual balances

## Village of Bellevue

### Notes to the Financial Statements

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outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as “internal balances.”

All trade and property tax receivables are shown net of an allowance for uncollectibles, as applicable. All amounts deemed to be uncollectible are charged against the allowance for doubtful accounts in the period that determination is made. No amounts have been deemed uncollectable.

#### *Capital Assets*

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the governmental and business-type activities columns in the government-wide financial statements. Capital assets are defined by the government as assets with an individual cost of more than \$5,000 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 if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

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

	<u>Years</u>
Land Improvements	20
Buildings	40 - 60
Building Improvements	15 - 30
Equipment	7 - 20
Water and Sewer Lines	50 - 75
Roads	10 - 30
Vehicles	3 - 5

The Village reviews long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset exceeds its fair value. If it is determined that an impairment loss has occurred, the asset is written down to its net realizable value and a current charge to income is recognized.

#### *Compensated Absences*

It is the government’s policy to permit employees to accumulate earned but unused sick and vacation pay benefits. There is no liability for unpaid accumulated sick leave since the government does not have a policy to pay any amounts when employees separate from service with the government.

## Village of Bellevue

### Notes to the Financial Statements

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#### ***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 of governmental activities and proprietary funds 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. Bond issuance costs are recognized as an expense in the period that the bond was issued.

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 received on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

#### ***Other Postemployment Benefits***

For the purpose of measuring the OPEB liability/asset, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the Village's Retiree Health Care Plan and additions to/deductions from the OPEB plan's fiduciary net position have been determined on the same basis as they are reported by the OPEB plan. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms.

#### ***Deferred Outflows / Inflows of Resources***

In addition to assets and liabilities, the statement of financial position or balance sheet will, when applicable, report separate sections for deferred outflows of resources and deferred inflows of resources. *Deferred outflows of resources*, a separate financial statement element, represents a consumption of net assets or fund balance, respectively, that applies to future periods and so will not be recognized as an outflow of resources (expense/expenditure) until that time. *Deferred inflows of resources*, a separate financial statement element, represents an acquisition of net assets or fund balance, respectively, that applies to future periods and so will not be recognized as an inflow of resources (revenue) until that time.

The Village has several items that qualify for reporting in these categories and are reported in the government-wide financial statement of net position. These items relate to the Village's net OPEB liability and deferred lease revenues. The net OPEB liability amounts are related to the differences between expected and actual experience. These amounts are deferred and recognized as an outflow or inflow of resources in the period to which they apply. The deferred lease revenues are related to the leases receivable for which revenue will be recognized in future years.

## Village of Bellevue

### Notes to the Financial Statements

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#### ***Fund Balance Flow Assumptions***

Sometimes the government will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements 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 consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. 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.

#### ***Fund Balance Policies***

Fund balance of governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. Governmental funds report *nonspendable fund balance* for amounts that cannot be spent because they are either: a) not in spendable form or b) legally or contractually required to be maintained intact. *Restricted fund balance* is reported when externally imposed constraints are placed on the use of resources by grantors, contributors, or laws or regulations of other governments. The government itself can establish limitations on the use of resources through either a commitment (committed fund balance) or an assignment (assigned fund balance).

The *committed fund balance* classification includes amounts that can be used only for the specific purposes determined by a formal action of the government's highest level of decision-making authority. The Village Council is the highest level of decision-making authority for the government that can, by adoption of a resolution prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the resolution remains in place until a similar action is taken (the adoption of another resolution) to remove or revise the limitation.

Amounts in the *assigned fund balance* classification are intended to be used by the government for specific purposes but do not meet the criteria to be classified as committed. The Village Council has authorized the Village Manager to assign fund balance. The Village Council may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's appropriated budget. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment.

*Unassigned fund balance* is the residual classification for the Village's general fund and includes all spendable amounts not contained in the other classifications and is therefore available to be spent as determined by the Village Council.

## Village of Bellevue

### Notes to the Financial Statements

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#### ***Net Position Flow Assumption***

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 and unrestricted – net position in the government-wide and proprietary fund financial statements, 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 consider restricted – net position to have been depleted before unrestricted – net position is applied.

#### ***Property Tax Revenue Recognition***

The Village property tax is levied each July 1 on the taxable valuation of property located in the Village as of the preceding December 31, the lien date. Collections are made July 1 through September 14. All real property taxes not paid to the Village by September 15 are turned over to the Eaton County Treasurer for collection. The Eaton County Treasurer remits payments to the Village on any delinquent real property taxes. Delinquent personal property taxes are retained by the Village for subsequent collection. Collections and remittances of all taxes are accounted for in the general fund. Village property tax revenues are recognized in the fiscal year levied.

The Village is permitted to levy taxes up to 12.0277 mills (\$12.0277 per \$1,000 of assessed valuation) for general governmental services. For the year ended December 31, 2024, the Village levied 12.0277 mills for general governmental services. The taxable value for the 2024 levy for property within the Village was \$26,051,673.

#### ***Use of Estimates***

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

#### **Note 2 - Budgetary Compliance**

##### ***Budgetary Information***

Budgets presented in the financial statements were prepared on the same basis as the accounting basis used to reflect actual results. The general fund and special revenue funds are subject to legal budgetary accounting controls and all are budgeted annually.

The Village follows these procedures in establishing the budgetary data reflected in the financial statements:

## Village of Bellevue

### Notes to the Financial Statements

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1. On or before October 31, the Village Manager submits to the Council, a proposed operating budget for the fiscal year commencing on January 1. The operating budget includes proposed expenditures and the means of financing them.
2. A public hearing is conducted at the Village hall to obtain taxpayer comments.
3. Prior to the first day of the following fiscal year, the budget is legally enacted through passage of a resolution.
4. The legal level of budgetary control is at the activity level of the general fund and at the fund expenditure totals for the Special Revenue funds.
5. The Village Manager is authorized to transfer budget amounts between line items within the department. Supplemental appropriations that amend total expenditures for any department require Village Council resolution.
6. Budget appropriations lapse at year-end.
7. Adoption and amendments of all budgets used by the Village are governed by Public Act 621, which was followed for the year ended December 31, 2024. Expenditures may not exceed appropriations.

P.A. 621 of 1978, as amended, provides that a local unit shall not incur expenditures in excess of the amount budgeted. Budgetary control is exercised at the activity level in the general fund and the functional level in other funds.

The Village had no expenditures in excess of the amounts appropriated during the year ended December 31, 2024.

## Village of Bellevue

### Notes to the Financial Statements

#### Note 3 – Deposits and Investments

The following is a reconciliation of deposit and investments balances as of December 31, 2024:

	<b>Primary Government</b>	<b>Component Unit - DDA</b>	<b>Total</b>
<b>Statement of Net Position</b>			
Cash and Cash Equivalents	\$ 1,374,823	\$ 52,111	\$ 1,426,934
<b>Total Deposits and Investments</b>	1,374,823	52,111	1,426,934
<b>Statement of Fiduciary Net Position</b>			
Pension and Benefit Trust Funds - Investments	390,865	-	390,865
Custodial Funds - Investments	14,649	-	14,649
<b>Deposits and Investments Managed by the Village</b>	\$ 1,780,337	\$ 52,111	\$ 1,832,448
Checking and Savings Accounts			\$ 1,191,981
Certificates of Deposits (due in less than 5 years)			234,853
Other Investments (MERS)			405,514
Cash on Hand			100
<b>Total Deposits and Investments</b>			<b>\$ 1,832,448</b>

The Village's deposits and investments are subject to several types of risk, which are examined in more detail below.

**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. State law does not require, and the Village does not have a policy for deposit custodial credit risk. At year end, the carrying amount of the Village's deposits was \$1,012,866. As of year-end, \$762,866 of the deposit balances was exposed to custodial credit risk because it was uninsured and uncollateralized. The Village believes that due to the dollar amounts of cash deposits and the limits of FDIC insurance, it is impractical to insure all bank deposits. As a result, the Village evaluates each financial institution with which it deposits Village funds and assesses the level of risk of each institution; only those institutions with an acceptable estimated risk level are used as depositories.

**Interest Rate Risk** - Interest rate risk is the risk that the market rate of securities in the portfolio will fall due to changes in market interest rates. State law limits the allowable investments and the maturities of some of the allowable investments as identified in 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. All certificates of deposits of \$234,853 held at year-end have a maturity date of less than five years. The Village's other investments of \$405,514 do not have a maturity date.

**Fair Value Measurement.** The Village categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based

## Village of Bellevue

### Notes to the Financial Statements

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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 measurement as of December 31, 2024:

- Investments held with MERS totaled \$405,514. These investments consist of cash securities. These are valued using Level 2 inputs.

#### **Note 4 - Leases Receivable**

The Village is reporting total lease receivables of \$315,150 as of December 31, 2024. For fiscal year 2024 the Village reported lease revenue of \$17,117 and interest revenue of \$8,028 related to lease payments received.

***Verizon Wireless Cell Tower Agreement*** – On April 16, 2012, the Village entered into a 5-year lease agreement with Verizon Wireless (New Par) for the use of a portion of its water tower and an adjacent 816-square-foot parcel for telecommunications equipment. The agreement includes automatic renewals for five (5) additional five-year terms, which could extend the lease through 2037. The Village plans to execute all extensions. The Village receives annual rental payments of \$15,000, with 2% annual increases, plus an initial \$5,000 for legal costs

## Village of Bellevue

### Notes to the Financial Statements

#### Note 5 - Capital Assets

Capital asset activities for governmental activities for the year ended December 31, 2024 were as follows:

<b>Governmental Activities</b>	<b>Beginning Balance</b>	<b>Additions</b>	<b>Disposals</b>	<b>Ending Balance</b>
<b>Capital Assets not Being Depreciated</b>				
Land	\$ 18,000	\$ -	\$ -	\$ 18,000
Construction in Progress	532,569	38,101	(502,834)	67,836
<i>Subtotal</i>	<u>550,569</u>	<u>38,101</u>	<u>(502,834)</u>	<u>85,836</u>
<b>Capital Assets Being Depreciated</b>				
Buildings	282,044	-	-	282,044
Equipment	9,161	-	-	9,161
Vehicles	2,024	-	-	2,024
Streets Infrastructure	885,775	502,834	-	1,388,609
<i>Subtotal</i>	<u>1,179,004</u>	<u>502,834</u>	<u>-</u>	<u>1,681,838</u>
<b>Less Accumulated Depreciation</b>				
Buildings	(182,509)	(11,261)	-	(193,770)
Equipment	(7,804)	(1,162)	-	(8,966)
Vehicles	(2,024)	-	-	(2,024)
Streets Infrastructure	(646,862)	(60,363)	-	(707,225)
<i>Subtotal</i>	<u>(839,199)</u>	<u>(72,786)</u>	<u>-</u>	<u>(911,985)</u>
<b>Capital Assets being Depreciated, Net</b>	<u>339,805</u>	<u>430,048</u>	<u>-</u>	<u>769,853</u>
<b>Capital Assets, Net</b>	<u>890,374</u>	<u>468,149</u>	<u>(502,834)</u>	<u>855,689</u>
<b>Internal Service Fund</b>				
Capital Assets, Net	146,328	23,847	-	170,175
<b>Governmental Activities Capital Assets, Net</b>	<u>\$ 1,036,702</u>	<u>\$ 491,996</u>	<u>\$ (502,834)</u>	<u>\$ 1,025,864</u>

Capital asset activities for business-type activities for the year ended December 31, 2024 were as follows:

<b>Business-type Activities</b>	<b>Beginning Balance</b>	<b>Additions</b>	<b>Disposals</b>	<b>Ending Balance</b>
<b>Capital Assets not being Depreciated</b>				
Construction in Progress - Water	\$ 773,018	\$ 100,979	\$ (109,270)	\$ 764,727
Construction in Progress - Sewer	825,539	973,206	(4,650)	1,794,095
<i>Subtotal</i>	<u>1,598,557</u>	<u>1,074,185</u>	<u>(113,920)</u>	<u>2,558,822</u>
<b>Capital Assets being Depreciated</b>				
Sewer System	3,462,013	4,650	-	3,466,663
Water System	1,734,878	109,270	-	1,844,148
<i>Subtotal</i>	<u>5,196,891</u>	<u>113,920</u>	<u>-</u>	<u>5,310,811</u>
<b>Less Accumulated Depreciation</b>				
Sewer System	(2,545,517)	(43,118)	-	(2,588,635)
Water System	(1,210,616)	(47,700)	-	(1,258,316)
<i>Subtotal</i>	<u>(3,756,133)</u>	<u>(90,818)</u>	<u>-</u>	<u>(3,846,951)</u>
<b>Capital Assets being Depreciated, Net</b>	<u>1,440,758</u>	<u>23,102</u>	<u>-</u>	<u>1,463,860</u>
<b>Capital Assets, Net</b>	<u>\$ 3,039,315</u>	<u>\$ 1,097,287</u>	<u>\$ (113,920)</u>	<u>\$ 4,022,682</u>

## Village of Bellevue

### Notes to the Financial Statements

Depreciation expense was charged to functions of the Village as follows:

<b>Governmental Activities</b>	
General Government	\$ 1,162
Public Works	61,308
Recreation and Culture	10,316
Internal Service Fund	55,053
<b>Total Governmental Activities</b>	<b>\$ 127,839</b>
<b>Business-type Activities</b>	
Water Fund	\$ 47,700
Sewer Fund	43,118
<b>Total Business-type Activities</b>	<b>\$ 90,818</b>

#### Note 6 - Long-term Obligations

The following is a summary of long-term obligations activity of the Village for the year ended December 31, 2024:

<b>Direct Placement Debt</b>	<b>Beginning Balance</b>	<b>Additions</b>	<b>Reductions</b>	<b>Ending Balance</b>	<b>Due Within One Year</b>
Long-Term Construction Payable	\$ 462,502	\$ -	\$ (77,084)	\$ 385,418	\$ 77,084
Promissory Note Payable	-	78,900	(11,164)	67,736	14,412
<b>Total Direct Placement Debt</b>	<b>\$ 462,502</b>	<b>\$ 78,900</b>	<b>\$ (88,248)</b>	<b>\$ 453,154</b>	<b>\$ 91,496</b>

Annual debt service requirements to maturity for the above note obligations are as follows:

<b>December 31,</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2025	\$ 91,496	\$ 4,606	\$ 96,102
2026	92,630	3,472	96,102
2027	93,837	2,265	96,102
2028	95,138	964	96,102
2029	80,053	27	80,080
<b>Totals</b>	<b>\$ 453,154</b>	<b>\$ 11,334</b>	<b>\$ 464,488</b>

#### Long-term Construction Payable

In connection with the water tower long-term maintenance program, the Village executed a seven-year Long Term Maintenance Agreement with Dixon Engineering effective in 2023. The total estimated cost of services under the agreement is \$539,586, with annualized payments of \$77,084 for the years 2023 through 2029. Services include renovation, coating, warranty observation, and recurring security and maintenance evaluations

## Village of Bellevue

### Notes to the Financial Statements

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#### ***Promissory Note Payable for Equipment***

On February 14, 2024, the Village entered into a commercial loan agreement with Independent Bank in the amount of \$78,900 to finance the purchase of a 2009 GMC T-7500 straight truck. The loan is secured by the vehicle and requires 59 monthly payments of \$1,584.63 and one final balloon payment estimated at \$1,658.49. The loan carries a fixed interest rate of 7.050% and matures in 2029. The Village is required to maintain insurance coverage on the vehicle

#### **Note 7 - 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 (workers' compensation); and natural disasters. During the year ended December 31, 2024, the Village carried commercial insurance to cover all risks of loss. The Village has had no settled claims resulting from these risks that exceeded their commercial coverage in any of the past three fiscal years. There was no significant change in coverage during the year.

#### **Note 8 - Employee Retirement and Benefit System**

The Village allows its employees to participate in an IRA plan after completing one year of service. The Village matches up to 3.0% of an employee's annual compensation. The current year contribution was \$10,774 from the Village and \$22,267 from the employees.

#### **Note 9 - Other Postemployment Benefits**

##### ***Plan Description***

The Village administers a single-employer defined benefit healthcare plan (the "Plan"). In addition to the retirement benefits described below, the Plan provides health insurance benefits to certain retirees and their beneficiaries, which can be advance-funded on a discretionary basis. The plan has no assets accumulated in a GASB-compliant trust. In accordance with Village policy, certain individuals and their beneficiaries receive medical coverage for varying periods of timing, depending on years of service. The plan does not issue a publicly available financial report.

##### ***Benefits Provided and Contributions***

The Plan was established and is being funded under the authority of the Village. The plan's funding policy is that the employer will contribute discretionary amounts if able in subsequent years not to exceed a fixed annual benefit based on years of service. There are no long-term contracts for contributions to the plan. The plan has no legally required reserves.

Membership of the Plan consisted of the following at the date of the latest actuarial valuation (December 31, 2024), two active members, and four inactive members.

## Village of Bellevue

### Notes to the Financial Statements

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Retirees are required to contribute 20% of the health insurance premium cost while the Village covers the remaining 80%. The plan is closed to new hires after November 2013. Employees who retire after 15 years of continuous service and are at least 62 years old qualified for the continued health insurance coverage for the employee only. Employees who retire after 20 years of continuous service and are at least 62 years old are eligible for continued health insurance coverage along with their dependents (at the time of retirement).

#### ***Methods and Assumptions***

The total OPEB liability was determined by an actuarial valuation as of December 31, 2024 and a measurement date of December 31, 2024 and the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50%
Healthcare Cost Inflation Rate	N/A Benefit Capped
Salary Increases	N/A
Investment Rate of Return	6.90%
Mortality	Pub-2010 with Generational Improvements using Scale MP-2021

#### ***Discount Rate***

The discount rate used to measure the total OPEB liability was 6.90%. Based on those assumptions, the retirement plan's fiduciary net position was not projected to be sufficient to make all projected future benefit payments of current plan members past 2024. For projected benefits that are covered by projected assets, the long-term expected rate was used to discount the projected benefits. From the year that benefit payments were not projected to be covered by the projected assets (the "depletion date"), projected benefits were discounted at a discount rate reflecting a 20-year AA/Aa tax-exempt municipal bond yield. A single equivalent discount rate that yields the same present value of benefits is calculated. This discount rate is used to determine the total OPEB liability.

**Village of Bellevue**

Notes to the Financial Statements

Changes in the net OPEB liability during the measurement year were as follows:

<b>Changes in OPEB Liability (Asset)</b>	<b>Increase (Decrease)</b>		
	<b>Total OPEB Liability</b>	<b>Plan Net Position</b>	<b>Net OPEB Liability</b>
<b>Balance at December 31, 2023</b>	308,960	252,787	56,173
Service Cost	7,200	-	7,200
Interest on Total OPEB Liability	8,744	-	8,744
Difference between Expected and Actual Experience	(54,214)	-	(54,214)
Contributions	-	129,727	(129,727)
Net Investment Income	-	23,916	(23,916)
Benefit Payments, including Refunds	(14,850)	(14,850)	-
Administrative Expenses	-	(715)	715
<b>Net Changes</b>	<b>(53,120)</b>	<b>138,078</b>	<b>(191,198)</b>
<b>Balance at December 31, 2024</b>	<b>255,840</b>	<b>390,865</b>	<b>(135,025)</b>

***Sensitivity of the Net OPEB Liability to Changes in the Discount Rate***

The following presents the net OPEB liability of the Village, calculated using the discount rate of 6.90%, as well as what the Village's net OPEB liability would be using a discount rate that is 1 percentage point lower or higher than the current rate:

	<b>1% Decrease (5.90%)</b>	<b>Discount Rate (6.90%)</b>	<b>1% Increase (7.90%)</b>
Net OPEB Liability (Asset)	\$ (109,441)	\$ (135,025)	\$ (160,609)

***OPEB Expense and Deferred Inflows of Resources Related to OPEB***

For the year ended December 31, 2024, the Village recognized OPEB expense of \$16,659. The Village reported the following deferred inflows of resources related to its OPEB plan as of December 31, 2024.

<b>Source</b>	<b>Deferred Inflows of Resources</b>
Differences between Expected and Actual Experience	\$ 1,368

## Village of Bellevue

### Notes to the Financial Statements

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Amounts reported as deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

<b>Years Ending December 31</b>	<b>Amount</b>
2025	\$ (342)
2026	(342)
2027	(342)
2028	(342)

#### **Note 10 - Subsequent Events**

As of December 31, 2024, the Village had incurred and been reimbursed for \$1,758,497 in eligible expenditures under the \$19,728,000 American Rescue Plan State Revolving Fund Grant (Project CW-5917A) administered by the Michigan Department of Environment, Great Lakes, and Energy (EGLE). Subsequent to year-end, as of July 30, 2025, cumulative eligible expenditures and reimbursements totaled \$5,500,166. The remaining \$14,227,834 of the grant award is expected to be utilized over the duration of the project, which is scheduled to be completed by September 15, 2026.

Management has evaluated subsequent events through July 30, 2025, the date of the audit report, and is not aware of any other events that would have a significant impact on the financial condition of the Village.

**Village of Bellevue**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual**  
**General Fund**  
**For the Year Ended December 31, 2024**

	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance</b>
	<b>Original</b>	<b>Final</b>		<b>Positive (Negative) Final to Actual</b>
<b>Revenues</b>				
Property Taxes	\$ 313,250	\$ 313,250	\$ 295,072	\$ (18,178)
Licenses and Permits	--	--	890	890
Intergovernmental	197,108	197,108	203,658	6,550
Charges for Services	550	550	440	(110)
Fines and Forfeits	1,775	1,775	530	(1,245)
Interest and Rents	37,690	37,690	15,099	(22,591)
Other Revenue	13,000	13,000	230,211	217,211
Sale of Fixed Assets	--	--	4,000	4,000
<b>Total Revenues</b>	<b>563,373</b>	<b>563,373</b>	<b>749,900</b>	<b>186,527</b>
<b>Expenditures</b>				
<b>General Government</b>				
Village Council	4,590	4,590	3,310	1,280
Village President	1,165	1,165	1,028	137
Village Manager	76,527	74,552	71,232	3,320
Treasurer	53,713	53,688	50,211	3,477
Building and Grounds	12,500	20,430	20,429	1
Other General Government	11,140	11,140	10,563	577
<b>Total General Government</b>	<b>159,635</b>	<b>165,565</b>	<b>156,773</b>	<b>8,792</b>
<b>Public Safety</b>				
Police	242,375	177,845	160,842	17,003
Fire	34,528	93,128	86,750	6,378
<b>Total Public Safety</b>	<b>276,903</b>	<b>270,973</b>	<b>247,592</b>	<b>23,381</b>
<b>Public Works</b>				
Street Lights	10,000	10,615	9,785	830
Routine Maintenance	80,517	78,942	72,260	6,682
Resource Recycling	20,755	21,680	20,051	1,629
Other Public Works	1,135	1,170	1,167	3
<b>Total Public Works</b>	<b>112,407</b>	<b>112,407</b>	<b>103,263</b>	<b>9,144</b>
<b>Community and Economic Development</b>				
Planning Commission	1,650	1,650	1,040	610
<b>Recreation and Culture</b>				
Parks and Recreation	3,900	3,900	3,120	780
<b>Total Expenditures</b>	<b>554,495</b>	<b>554,495</b>	<b>511,788</b>	<b>42,707</b>
<b>Excess (Deficiency) of Revenues</b>				
<b>Over Expenditures</b>	<b>8,878</b>	<b>8,878</b>	<b>238,112</b>	<b>229,234</b>
<b>Net Change in Fund Balance</b>	<b>8,878</b>	<b>8,878</b>	<b>238,112</b>	<b>229,234</b>
<i>Fund Balance at Beginning of Period</i>	874,273	874,273	874,273	--
<b>Fund Balance at End of Period</b>	<b>\$ 883,151</b>	<b>\$ 883,151</b>	<b>\$ 1,112,385</b>	<b>\$ 229,234</b>

**Village of Bellevue**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual**  
**Local Streets**  
**For the Year Ended December 31, 2024**

	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance</b>
	<b>Original</b>	<b>Final</b>		<b>Positive (Negative)</b>
				<b>Final to Actual</b>
<b>Revenues</b>				
Intergovernmental	\$ 60,000	\$ 60,000	\$ 90,968	\$ 30,968
Interest and Rents	350	350	257	(93)
Other Revenue	4,979	4,979	125	(4,854)
<b>Total Revenues</b>	<b>65,329</b>	<b>65,329</b>	<b>91,350</b>	<b>26,021</b>
<b>Expenditures</b>				
Public Works	105,804	105,804	101,213	4,591
<b>Total Expenditures</b>	<b>105,804</b>	<b>105,804</b>	<b>101,213</b>	<b>4,591</b>
<b>Excess (Deficiency) of Revenues</b>				
<b>Over Expenditures</b>	(40,475)	(40,475)	(9,863)	30,612
<b>Net Change in Fund Balance</b>	<b>(40,475)</b>	<b>(40,475)</b>	<b>(9,863)</b>	<b>30,612</b>
<i>Fund Balance at Beginning of Period</i>	22,240	22,240	22,240	--
<b>Fund Balance at End of Period</b>	<b>\$ (18,235)</b>	<b>\$ (18,235)</b>	<b>\$ 12,377</b>	<b>\$ 30,612</b>

**Village of Bellevue**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual**  
**Major Streets**  
**For the Year Ended December 31, 2024**

	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance</b>
	<b>Original</b>	<b>Final</b>		<b>Positive (Negative) Final to Actual</b>
<b>Revenues</b>				
Intergovernmental	\$ 130,000	\$ 130,000	\$ 146,732	\$ 16,732
Interest and Rents	550	550	1,023	473
Other Revenue	29,735	29,735	33,703	3,968
<b>Total Revenues</b>	<b>160,285</b>	<b>160,285</b>	<b>181,458</b>	<b>21,173</b>
<b>Expenditures</b>				
Public Works	103,025	103,025	43,777	59,248
<b>Total Expenditures</b>	<b>103,025</b>	<b>103,025</b>	<b>43,777</b>	<b>59,248</b>
<b>Excess (Deficiency) of Revenues</b>				
<b>Over Expenditures</b>	57,260	57,260	137,681	80,421
<b>Net Change in Fund Balance</b>	<b>57,260</b>	<b>57,260</b>	<b>137,681</b>	<b>80,421</b>
<i>Fund Balance at Beginning of Period</i>	89,073	89,073	89,073	--
<b>Fund Balance at End of Period</b>	<b>\$ 146,333</b>	<b>\$ 146,333</b>	<b>\$ 226,754</b>	<b>\$ 80,421</b>

**Village of Bellevue**  
**Required Supplementary Information**  
**Schedule of Changes in Net OPEB Liability and Related Ratios \***  
**Last Seven Calendar Years**

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
<b>Total OPEB Liability</b>							
Service Cost	\$ 7,200	\$ 7,200	\$ 14,400	\$ 14,400	\$ 58,339	\$ 54,290	\$ 53,990
Interest on Total OPEB Liability	8,744	8,914	8,533	8,201	90,388	74,513	72,177
Changes in Benefit Terms	-	-	-	(2,338,767)	-	-	-
Differences Between Expected and Actual Experience	(54,214)	(6,976)	-	-	(19,379)	-	-
Contributions/Benefit Payments Made from General Operating Funds	-	-	-	-	49,428	50,637	50,637
Benefit Payments, Including Refunds	(14,850)	(15,150)	(9,464)	(3,586)	(49,428)	(50,637)	(50,637)
<b>Net Change in total OPEB Liability</b>	<u>(53,120)</u>	<u>(6,012)</u>	<u>13,469</u>	<u>(2,319,752)</u>	<u>129,348</u>	<u>128,803</u>	<u>126,167</u>
<i>Total OPEB Liability - Beginning</i>	308,960	314,972	301,503	2,621,255	2,491,907	2,363,104	2,236,937
<b>Total OPEB Liability - Ending (a)</b>	<u>\$ 255,840</u>	<u>\$ 308,960</u>	<u>\$ 314,972</u>	<u>\$ 301,503</u>	<u>\$ 2,621,255</u>	<u>\$ 2,491,907</u>	<u>\$ 2,363,104</u>
<b>Plan Fiduciary Net Position</b>							
Contributions to OPEB Trust	\$ 129,727	\$ 112,731	\$ 106,270	\$ 56,857	\$ -	\$ -	\$ -
Contributions/Benefit Payments Made from General Operating Funds	-	-	-	-	49,428	50,637	50,637
Net Investment Income (Loss)	23,916	14,298	(8,370)	(223)	-	-	-
Benefit Payments, Including Refunds	(14,850)	(15,150)	(9,464)	(3,586)	(49,428)	(50,637)	(50,637)
Administrative Expenses	(715)	(407)	(150)	(19)	-	-	-
<b>Net Change in Plan Fiduciary Net Position</b>	<u>138,078</u>	<u>111,472</u>	<u>88,286</u>	<u>53,029</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Plan Fiduciary Net Position - Beginning</i>	252,787	141,315	53,029	-	-	-	-
<b>Plan Fiduciary Net Position - Ending (b)</b>	<u>\$ 390,865</u>	<u>\$ 252,787</u>	<u>\$ 141,315</u>	<u>\$ 53,029</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b>Net OPEB Liability (Asset) - Ending (a) - (b)</b>	\$ (135,025)	\$ 56,173	\$ 173,657	\$ 248,474	\$ 2,621,255	\$ 2,491,907	\$ 2,363,104
Plan Fiduciary Net Position as a Percentage of Total OPEB Liability	152.78%	81.82%	44.87%	17.59%	0.00%	0.00%	0.00%
Covered Employee Payroll	\$ 133,511	\$ 137,038	\$ 140,565	\$ 139,377	\$ 132,724	\$ 127,993	\$ 125,433
Net OPEB Liability (Asset) as a Percentage of Covered Employee Payroll	-101.1%	41.0%	123.5%	178.3%	1975.0%	1946.9%	1884.0%

\* Built prospectively upon implementation of GASB 75.

**Village of Bellevue  
Required Supplementary Information  
Schedule of Contributions - OPEB\*  
Last Seven Calendar Years**

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Actuarially Determined Contribution	\$ 16,676	\$ 18,643	\$ 26,066	\$ 25,168	\$ 148,727	\$ 140,218	\$ 134,487
Contributions in Relation to the Actuarially Determined Contribution	<u>129,727</u>	<u>112,731</u>	<u>106,270</u>	<u>56,857</u>	<u>49,428</u>	<u>50,637</u>	<u>50,637</u>
Contribution Deficiency (Excess)	<u>\$ (113,051)</u>	<u>\$ (94,088)</u>	<u>\$ (80,204)</u>	<u>\$ (31,689)</u>	<u>\$ 99,299</u>	<u>\$ 89,581</u>	<u>\$ 83,850</u>
Covered Employee Payroll	\$ 133,511	\$ 137,038	\$ 140,565	\$ 139,377	\$ 132,724	\$ 127,993	\$ 125,433
Contributions as a Percentage of Covered Employee Payroll	97.2%	82.3%	75.6%	40.8%	37.2%	39.6%	40.4%

*Notes*

**Valuation Date: December 31, 2024**

**Methods and Assumptions Used to Determine Contribution Rates**

Actuarial Cost Method	Entry Age
Amortization Method	Level Dollar
Remaining Amortization Period	25 years
Asset Valuation Method	N/A
Salary Inflation	3.00%
Healthcare Cost Inflation Rate	Not applicable, benefit capped at \$150 per month
Investment Rate Of Return	6.90%
Retirement Age	62
Mortality	Pub-2010 with Generational Improvements using Scale MP-2021

\* Built prospectively upon implementation of GASB 75.



**VILLAGE OF BELLEVUE, MICHIGAN  
EATON COUNTY  
SINGLE AUDIT ACT COMPLIANCE  
YEAR ENDED DECEMBER 31, 2024**

**Village of Bellevue**  
**Schedule of Expenditures of Federal Awards**  
**For the Year Ended December 31, 2024**

<b>Federal Grantor / Pass-through Grantor / Program</b>	<b>Assistance Listing Number</b>	<b>Pass-through / Grantor Number</b>	<b>Federal Expenditures</b>
<b>U.S. Department of Treasury</b>			
<i>Passed through the Michigan Department of Environment, Great Lakes, and Energy, Finance Division</i>			
COVID-19 - Coronavirus State and Local Fiscal Recovery Funds	21.027	SLFRP0127	\$ 973,205
<b>Total U.S. Department of Treasury</b>			<u>973,205</u>
<b>Total Expenditures of Federal Awards</b>			<u>\$ 973,205</u>

See Notes to the Schedule of Expenditures of Federal Awards

## Village of Bellevue

### Notes to the Schedule of Expenditures of Federal Awards

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#### **NOTE 1 - BASIS OF PRESENTATION**

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal grant activity of the Village of Bellevue (the "Village") under programs of the federal government for the year ended December 31, 2024. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the schedule presents only a selected portion of the operations of the Village, it is not intended to and does not present the financial position, changes in net position or cash flows of the Village.

The Village's reporting entity is defined in Note 1 of the Village's Audited Financial Statements.

#### **NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Expenditures reported on the Schedule are reported on the accrual basis of accounting, which is described in Note 1 to the Village's financial statements. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Pass-through entity identifying numbers are presented where available.

For purposes of charging indirect costs to federal awards, the Village has not elected to use the 10 percent de minimis cost rate as permitted by §200.414 of the Uniform Guidance.

#### **NOTE 3 - RECONCILIATION TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

Federal expenditures reported on the basic financial statements total \$973,205 in the Sewer Fund as non-operating grants. This amount agrees to the total reported on the Schedule of Expenditures of Federal Awards.

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To the Village Council  
Village of Bellevue  
Bellevue, Michigan

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the 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 Bellevue (the "Village"), as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise Village's basic financial statements and have issued our report thereon dated July 30, 2025.

### **Report on Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Village's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Village's internal control. Accordingly, we do not express an opinion on the effectiveness of Village's internal control.

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as items 2024-001, 2024-002, and 2024-003 that we consider to be material weaknesses.

### **Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Village's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the

financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and questioned costs as items 2024-004 and 2024-005.

### **Village's Response to Findings**

*Government Auditing Standards* requires the auditor to perform limited procedures on the Village's response to the findings identified in our audit and described in the accompanying schedule of findings and questioned costs. The Village's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

### **Purpose of This Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Gabridge & Company, PLC  
Grand Rapids, MI  
July 30, 2025

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM  
AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM  
GUIDANCE

To the Village Council  
Village of Bellevue  
Bellevue, Michigan

**Report on Compliance for Each Major Federal Program**

***Opinion on Each Major Federal Program***

We have audited Village of Bellevue's (the "Village") compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of Village's major federal programs for the year ended December 31, 2024. Village's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Village complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2024.

***Basis for Opinion on Each Major Federal Program***

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Village and to meet our other ethical responsibilities, in accordance with 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 opinion on compliance for each major federal program. Our audit does not provide a legal determination of Village's compliance with the compliance requirements referred to above.

***Responsibilities of Management for Compliance***

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to Village's federal programs.

### ***Auditor's Responsibilities for the Audit of Compliance***

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Village's compliance based on our audit. 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, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Village's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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 Village's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Village's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of Village's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

### ***Other Matters***

The results of our auditing procedures disclosed instances of noncompliance which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying schedule of findings and questioned costs as items 2024-004 and 2024-005. Our opinion on each major federal program is not modified with respect to these matters.

*Government Auditing Standards* requires the auditor to perform limited procedures on Village's response to the noncompliance findings identified in our compliance audit described in the accompanying schedule of findings and questioned costs. Village's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

## Report on Internal Control over Compliance

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we did identify certain deficiencies in internal control over compliance that we consider to be material weaknesses.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

*A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items 2024-004 and 2024-005 to be material weaknesses.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

*Government Auditing Standards* requires the auditor to perform limited procedures on Village's response to the internal control over compliance findings identified in our compliance audit described in the accompanying schedule of findings and questioned costs. The Village's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.



Gabridge & Company, PLC  
Grand Rapids, MI  
July 30, 2025

**Village of Bellevue  
Schedule of Findings and Questioned Costs  
For the Year Ended December 31, 2024**

**SECTION I - SUMMARY OF AUDITOR'S RESULTS**

Financial Statements

Type of auditor's report issued on whether the financial statements audited were prepared in accordance with GAAP: Unmodified

Internal controls over financial reporting  
 Material weaknesses identified? Yes  
 Significant deficiencies identified not considered to be material weaknesses? No

Noncompliance material to financial statements noted? No

Federal Awards

Internal control over major programs  
 Material weaknesses identified? Yes  
 Significant deficiencies identified not considered to be material weaknesses? No

Type of auditor's report issued on compliance for major programs Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? Yes

Identification of Major Programs

<b>Name of Federal Program or Cluster</b>	<b>Assistance Listing Number</b>
Coronavirus State and Local Fiscal Recovery Funds	21.027

Dollar threshold used to distinguish between Type A and B programs? \$750,000

Auditee qualified as a low-risk auditee? No

**SECTION II - FINANCIAL STATEMENT FINDINGS**

- 2024-001 - Preparation of GAAP Financial Statements and Material Audit Adjustments
- 2024-002 - Inadequate Segregation of Duties Over Key Financial Processes
- 2024-003 - Untimely Bank Reconciliations

**SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS**

- 2024-004 - Material Misstatement of the Schedule of Expenditures of Federal Awards (SEFA)
- 2024-005 - Lack of Written Federal Policies and Procedures Required by Uniform Guidance

**SECTION IV - SUMMARY OF PRIOR AUDIT FINDINGS**

- 2021-01 - Segregation of Incompatible Duties (Repeated as 2024-002)
- 2021-02 - Timely Bank Reconciliations (Repeated as 2024-003)
- 2021-02 - Preparation of Governmental Financial Statements (Repeated as 2024-001)

Note: The last audited report identified two separate findings under the same number, 2021-02. They are presented here as they were labeled in that report.

## Village of Bellevue

### SECTION II – FINANCIAL STATEMENT FINDINGS

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#### **2024-001 - Preparation of GAAP Financial Statements and Material Audit Adjustments (Repeat Finding)**

Finding Type: Material weakness

Condition/Finding: As is the case with many smaller and medium-sized entities, the Village has historically relied on its independent external auditors to assist in the preparation of the government-wide financial statements and footnotes as part of its external financial reporting process. Accordingly, the Village's ability to prepare financial statements in accordance with GAAP is based, at least in part, on its reliance on its external auditors, who cannot by definition be considered a part of the Village's internal controls. In addition, we proposed, and management approved, material journal entries to properly record cash, payables, accrued wages, capital asset transactions (including depreciation expense and additions), receivables (including grant revenue), and long-term debt in the proprietary and governmental funds along with the government-wide financial statements.

Criteria: All Michigan governments are required to prepare financial statements in accordance with generally accepted accounting principles (GAAP). This is a responsibility of the government's management. The preparation of financial statements in accordance with GAAP requires internal controls over both (1) recording, processing, and summarizing accounting data (i.e., maintaining internal books and records), and (2) reporting government-wide and fund financial statements, including the related footnotes (i.e., external financial reporting).

Cause: This condition was caused by the Village's decision that it is more cost effective to outsource the preparation of its annual financial statements to the auditors than to incur the time and expense of obtaining the necessary training and expertise required for the Village to perform this task internally.

Effect: As a result of this condition, the Village lacks complete internal controls over the preparation of financial statements in accordance with GAAP and instead relies, at least in part, on its external auditors for assistance with this task. In addition, the Village's records were initially misstated by an amount material to the financial statements. Finally, management and the Council of the Village is not able to review and inquire of the financial condition of the Village on a timely basis.

Recommendation: We recommend that the Village evaluate its internal capabilities related to year-end financial reporting and consider options to strengthen internal controls, such as staff training, increased review procedures, or engaging an

## Village of Bellevue

### SECTION II – FINANCIAL STATEMENT FINDINGS

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external accountant (not affiliated with the audit firm) to assist in the preparation of GAAP-basis financial statements and footnote disclosures.

View of Responsible

Officials: Management's response and planned corrective action can be found in the accompanying Corrective Action Plan.

**2024-002 - Inadequate Segregation of Duties Over Key Financial Processes (Repeat Finding)**

Finding Type: Material weakness

Condition/Finding: The Village does not maintain adequate segregation of duties over key financial processes. The same individual is responsible for preparing journal entries and performing bank reconciliations, without independent review or approval by another qualified individual. These tasks represent incompatible functions that, if not segregated or independently reviewed, increase the risk of undetected errors or irregularities in financial reporting.

Criteria: Management is responsible for establishing and maintaining internal controls to safeguard Village assets and ensure the integrity of financial reporting. A fundamental element of effective internal control is the segregation of incompatible duties such that no single individual has control over all aspects of a transaction.

Cause: The Village's limited staffing structure does not allow for full segregation of duties, and formal compensating controls—such as documented secondary review—have not been implemented.

Effect: As a result of this condition, the Village is exposed to an increased risk that errors or misstatements—whether due to error or fraud—may occur and not be prevented or detected and corrected in a timely manner. The lack of review over reconciliations and journal entries reduces the effectiveness of the Village's control environment.

Recommendation: While there are, of course, no easy answers to the challenge of balancing the costs and benefits of internal controls and the segregation of incompatible duties, we would nevertheless encourage management to actively seek ways to strengthen its internal control structure. This may include requiring as much independent review, reconciliation, and approval of journal entries and bank reconciliations by qualified members of management as feasible, and documenting such review as part of the Village's control procedures.

## Village of Bellevue

### SECTION II – FINANCIAL STATEMENT FINDINGS

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View of Responsible

Officials: Management's response and planned corrective action can be found in the accompanying Corrective Action Plan.

**2024-003 - Untimely Bank Reconciliations (Repeat Finding)**

Finding Type: Material weakness

Condition/Finding: Bank reconciliations were not performed on a timely basis during the fiscal year. Several accounts were reconciled months after the close of the reporting period to which they related, and there was no documented evidence of secondary review. Timely reconciliation of cash is a critical control to ensure accurate reporting and safeguard of assets.

Criteria: Internal control standards require that bank reconciliations be performed on a monthly basis and reviewed by someone independent of the preparer. Timely and properly reviewed reconciliations are essential for detecting errors, omissions, or unauthorized activity, and are a foundational control in both governmental and proprietary fund environments.

Cause: The delay in performing reconciliations was primarily due to competing priorities and resource limitations within the Village's finance function. There were no formal procedures in place to ensure reconciliations were completed and reviewed promptly each month.

Effect: Failure to perform timely bank reconciliations increases the risk that errors or irregularities in cash activity may not be identified or corrected in a timely manner. This deficiency also contributed to the need for material audit adjustments related to cash and other related accounts.

Recommendation: We recommend that bank reconciliations be completed within 30 days of month-end and formally reviewed by a second individual who is independent of the reconciliation process. The Village should also consider implementing a checklist or control log to track reconciliation completion and review status throughout the fiscal year.

View of Responsible

Officials: Management's response and planned corrective action can be found in the accompanying Corrective Action Plan.

Village of Bellevue

SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

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**2024-004 - Material Misstatement of the Schedule of Expenditures of Federal Awards (SEFA)**

Finding Type: Material weakness in internal control over compliance

Federal Program: 21.027 Coronavirus State and Local Fiscal Recovery Funds

Compliance Requirement: Reporting

Condition/Finding: The Schedule of Expenditures of Federal Awards (SEFA), as initially provided for audit, contained material misstatements. The original version of the SEFA did not accurately report the total amount of federal expenditures and required significant audit adjustments to reflect the proper award amounts and program classifications in accordance with the Uniform Guidance.

Criteria: Per 2 CFR §200.510(b), the auditee must prepare a SEFA that accurately and completely discloses all federal awards expended during the fiscal year, including the name of the federal program, assistance listing number, amount expended, and applicable pass-through entities. This schedule must be prepared in accordance with GAAP and the Uniform Guidance.

Cause: The misstatements were due to inadequate internal controls over the preparation and review of the SEFA. The Village lacked a formal process to ensure the completeness and accuracy of reported federal expenditures prior to submission for audit.

Effect: The SEFA, as originally submitted, materially misstated the Village's federal expenditures for the fiscal year, which could have resulted in the incorrect identification of major programs and misrepresentation of federal activity in the audit. This represents a material weakness in internal control over compliance.

Recommendation: We recommend that the Village implement procedures to ensure that the SEFA is prepared using complete, reconciled grant expenditure data and that it is reviewed by a qualified individual prior to submission for audit. Supporting documentation should be maintained to substantiate amounts reported by federal program.

View of Responsible Officials: Management's response and planned corrective action can be found in the accompanying Corrective Action Plan.

## Village of Bellevue

### SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

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#### **2024-005 - Lack of Written Federal Policies and Procedures Required by Uniform Guidance**

Finding Type:	Material weakness in internal control over compliance
Federal Program:	21.027 Coronavirus State and Local Fiscal Recovery Funds
Compliance Requirement:	Allowable Costs/Cost Principles, Procurement and Suspension and Debarment
Condition/Finding:	The Village has not developed or implemented the written policies and procedures required under the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Required documentation is absent in areas such as internal controls over compliance, cash management, procurement, and allowable costs.
Criteria:	Per 2 CFR §200.303 and related sections (including §§200.305 and 200.318–320), non-federal entities expending federal awards must establish and maintain effective internal controls and must document policies and procedures governing compliance with applicable federal statutes, regulations, and terms of award.
Cause:	The Village has not formally developed Uniform Guidance-compliant policies due to limited administrative resources and competing operational priorities.
Effect:	The absence of formal written policies and procedures increases the risk of inconsistent or noncompliant treatment of federal expenditures. Without documented controls and expectations, the Village may fail to detect or prevent noncompliance with federal requirements in key grant administration areas.
Recommendation:	We recommend that the Village adopt written policies and procedures addressing the specific requirements outlined in the Uniform Guidance. These policies should include, but not be limited to, internal controls over compliance, procurement, cash management, subrecipient monitoring (if applicable), and allowable cost determinations. Management should ensure that these policies are communicated and periodically reviewed.
View of Responsible Officials:	Management’s response and planned corrective action can be found in the accompanying Corrective Action Plan.

July 30, 2025

To the Village Council  
Village of Bellevue  
Bellevue, Michigan

We have audited the 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 Bellevue, Michigan (the “Village”) for the year ended December 31, 2024. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated March 6, 2025. Professional standards also require that we communicate to you the following information related to our audit.

### Significant Audit Findings

#### *Qualitative Aspects of Accounting Practices*

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Village are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during 2024. We noted no transactions entered into by the governmental unit during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management’s knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimate affecting the Village’s financial statements was:

- Management’s estimate of the useful lives of depreciable capital assets is based on the length of time it is believed that those assets will provide some economic benefit in the future.
- The assumptions used in the actuarial valuations of the other post-employment benefit plans are based on historical trends and industry standards.

We evaluated the key factors and assumptions used above in determining that it is reasonable in relation to the financial statements taken as a whole.

The financial statement disclosures are neutral, consistent, and clear.

### *Difficulties Encountered in Performing the Audit*

We encountered no significant difficulties in dealing with management in performing and completing our audit.

### *Corrected and Uncorrected Misstatements*

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements.

### *Disagreements with Management*

For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

### *Management Representations*

We have requested certain representations from management that are included in the management representation letter dated July 30, 2025.

### *Management Consultations with Other Independent Accountants*

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the governmental unit's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

### *Other Audit Findings or Issues*

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the governmental unit's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

### *Other Matters*

We applied certain limited procedures to management's discussion and analysis, budgetary comparison schedules and the OPEB schedules, which are required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding 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 did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

We were engaged to report on the Schedule of Expenditures of Federal Awards, which accompany the financial statements but are not RSI. With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

*Restriction on Use*

This information is intended solely for the use of management, the Village Council, and others within the organization and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in cursive script that reads "Gabridge & Company". The signature is written in dark ink and is positioned above the printed name of the firm.

Gabridge & Company, PLC  
Grand Rapids, MI