

Village of Vicksburg
Kalamazoo County, Michigan
FINANCIAL STATEMENTS
Year ended June 30, 2024

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MANAGEMENT'S DISCUSSION AND ANALYSIS

Our discussion and analysis of the Village of Vicksburg's (the Village) financial performance provides a narrative overview of the Village's financial activities for the fiscal year ended June 30, 2024. Please read it in conjunction with the Village's financial statements.

FINANCIAL HIGHLIGHTS

- The Village's total net position increased by \$1,286,135 (8 percent) as a result of this year's activities. The net position of the governmental activities increased by \$902,295 and the net position of the business-type activities increased by \$383,840.
- Of the \$17,447,275 total net position reported, \$4,332,571 (25 percent) is available to be used at the Council's discretion, without constraints established by debt covenants, enabling legislation, or other legal requirements.
- The General Fund's unassigned fund balance at the end of the fiscal year was \$1,347,967, which represents 32 percent of the actual total General Fund expenditures for the current fiscal year.

Overview of the financial statements

The Village's annual report is comprised of four parts: management's discussion and analysis, the basic financial statements, required supplementary information, and an optional section that presents additional supplementary information. The basic financial statements include two kinds of statements that present different views of the Village:

- The first two statements are government-wide financial statements that provide both long-term and short-term information about the Village's overall financial status.
- The remaining statements are fund financial statements that focus on individual parts of the Village government, reporting the Village's operations in more detail than the government-wide financial statements.
 - Governmental funds statements explain how government services, like general government and public safety, were financed in the short-term, as well as what remains for future spending.
 - Proprietary funds statements offer short-term and long-term financial information about the activities the government operates like a business, such as the sewer and water systems.

The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data. The financial statements are followed by sections of required supplementary information and other supplementary information that further explain and support the information in the financial statements.

A comparative analysis of the government-wide financial statements for 2024 and 2023 is also presented.

Government-wide financial statements

The government-wide financial statements report information about the Village as a whole using accounting methods similar to those used by private-sector companies. The Statement of Net Position includes all of the Village's assets, deferred outflow of resources, liabilities, and deferred inflows of resources. All of the current year's revenues and expenses are accounted for in the Statement of Activities, regardless of when cash is received or paid.

The two government-wide statements report the Village's net position and how it has changed. Net position (the difference between the Village's assets and deferred outflow of resources, and liabilities and deferred inflows of resources) is one way to measure the Village's financial health, or position.

- Over time, increases or decreases in the Village's net position are an indicator of whether its financial health is improving or deteriorating, respectively.
- To assess the overall health of the Village, you need to consider additional nonfinancial factors, such as changes in the Village's property tax base and the condition of the Village's capital assets.

The government-wide financial statements are divided into three categories:

- *Governmental activities* - Most of the Village's basic services are included here, such as police protection, fire protection, and general government. Property taxes and state grants finance most of these activities.
- *Business-type activities* - The Village charges fees to customers to help it cover the costs of certain services it provides. The Village's sewer and water systems are reported here.
- *Component units* - The Village includes three other entities in its report - the Vicksburg Building Authority, the Downtown Development Authority, and the Brownfield Redevelopment Authority. Although legally separate, these "component units" are important because the Village is financially accountable for them.

Fund financial statements

The fund financial statements provide more detailed information about the Village's most significant funds - not the Village as a whole. Funds are accounting devices that the Village uses to keep track of specific sources of funding and spending for particular purposes.

- Some funds are required by state law and bond agreements.
- The Village Council establishes other funds to show that it is properly using certain taxes and other restricted revenues (like the motor fuel taxes collected for the street funds).

The Village has two kinds of funds:

- *Governmental funds*. Most of the Village's basic services are included in its governmental funds, which focus on (1) how cash, and other financial assets that can be readily converted to cash, flows in and out, and (2) the balances left at year end that are available for spending. Consequently, the governmental funds statements provide a detailed short-term view that helps determine whether there are more or fewer financial resources that can be spent in the near future to finance the Village's programs. Because this information does not encompass the additional long-term focus of the government-wide statements, we provide additional information that explains the relationship between them.
- *Proprietary funds*. Services for which the Village charges customers a fee are generally reported in proprietary funds. Proprietary funds statements, like the government-wide statements, provide both long-term and short-term financial information.
 - The Village's enterprise funds (one type of proprietary fund) are the same as its business-type activities but provide more detail and additional information, such as cash flows.

FINANCIAL ANALYSIS OF THE VILLAGE AS A WHOLE

Net position

The total net position at the end of the fiscal year was \$17,447,275. Of this total, \$11,309,614 represents a net investment in capital assets and \$1,805,090 is restricted for various purposes. Consequently, unrestricted net position was \$4,332,571 or 25 percent of the total.

*Condensed financial information**Net position*

	Governmental activities		Business-type activities		Totals	
	2024	2023	2024	2023	2024	2023
Current and other assets	\$ 3,822,869	\$ 5,535,094	\$ 4,689,804	\$ 4,641,184	\$ 8,512,673	\$ 10,176,278
Capital assets	<u>8,846,927</u>	<u>6,492,922</u>	<u>14,742,988</u>	<u>14,656,516</u>	<u>23,589,915</u>	<u>21,149,438</u>
Total assets	<u>12,669,796</u>	<u>12,028,016</u>	<u>19,432,792</u>	<u>19,297,700</u>	<u>32,102,588</u>	<u>31,325,716</u>
Deferred outflows of resources	<u>124,558</u>	<u>178,287</u>	<u>69,218</u>	<u>91,115</u>	<u>193,776</u>	<u>269,402</u>
Current and other liabilities	656,825	791,496	834,002	765,497	1,490,827	1,556,993
Noncurrent liabilities	<u>2,607,337</u>	<u>2,802,457</u>	<u>10,727,291</u>	<u>11,074,528</u>	<u>13,334,628</u>	<u>13,876,985</u>
Total liabilities	<u>3,264,162</u>	<u>3,593,953</u>	<u>11,561,293</u>	<u>11,840,025</u>	<u>14,825,455</u>	<u>15,433,978</u>
Deferred inflows of resources	<u>15,547</u>	<u>-</u>	<u>8,087</u>	<u>-</u>	<u>23,634</u>	<u>-</u>
Net position:						
Net investment in capital assets	7,156,268	4,733,660	4,153,346	3,778,470	11,309,614	8,512,130
Restricted	1,217,509	1,300,212	587,581	487,954	1,805,090	1,788,166
Unrestricted	<u>1,140,868</u>	<u>2,578,478</u>	<u>3,191,703</u>	<u>3,282,366</u>	<u>4,332,571</u>	<u>5,860,844</u>
Total net position	<u>\$ 9,514,645</u>	<u>\$ 8,612,350</u>	<u>\$ 7,932,630</u>	<u>\$ 7,548,790</u>	<u>\$ 17,447,275</u>	<u>\$ 16,161,140</u>

Changes in net position

The Village's total revenues for the current fiscal year were \$6,965,209. In the current year, nearly 53 percent of the Village's revenues comes from charges for services and approximately 27 percent comes from property taxes.

The total cost of the Village's programs, covering a wide range of services, totaled \$5,679,074. Approximately 57 percent of the Village's expenses relates utility and golf expenses. General government, public safety, and public works expenses account for 6, 15 and 14 percent of the Village's total expenses, respectively.

Condensed financial information
Changes in net position

	Governmental activities		Business-type activities		Totals	
	2024	2023	2024	2023	2024	2023
Program revenues:						
Charges for services	\$ 114,178	\$ 142,135	\$ 3,574,088	\$ 3,387,403	\$ 3,688,266	\$ 3,529,538
Grants and contributions:						
Operating grants	729,655	603,456	-	-	729,655	603,456
General revenues:						
Property taxes	1,905,843	1,754,065	-	-	1,905,843	1,754,065
State shared revenue	449,112	440,185	-	-	449,112	440,185
Local community stabilization revenue	73,888	84,103	-	-	73,888	84,103
Unrestricted investment return	50,199	36,670	28,592	13,495	78,791	50,165
Franchise fees	14,113	20,324	-	-	14,113	20,324
Other	-	-	25,541	-	25,541	-
Total revenues	3,336,988	3,080,938	3,628,221	3,400,898	6,965,209	6,481,836
Expenses:						
General government	345,641	352,800	-	-	345,641	352,800
Public safety	875,600	867,524	-	-	875,600	867,524
Public works	803,103	806,798	-	-	803,103	806,798
Community and economic development	231,901	34,141	-	-	231,901	34,141
Recreation and culture	142,800	128,218	-	-	142,800	128,218
Interest	35,648	34,921	-	-	35,648	34,921
Sewer	-	-	1,148,856	1,275,909	1,148,856	1,275,909
Water	-	-	612,054	683,878	612,054	683,878
Golf	-	-	1,483,471	1,317,500	1,483,471	1,317,500
Total expenses	2,434,693	2,224,402	3,244,381	3,277,287	5,679,074	5,501,689
Changes in net position	\$ 902,295	\$ 856,536	\$ 383,840	\$ 123,611	\$ 1,286,135	\$ 980,147
Net position, end of year	\$ 9,514,645	\$ 8,612,350	\$ 7,932,630	\$ 7,548,790	\$ 17,447,275	\$ 16,161,140

Governmental activities

Governmental activities increased the Village's net position by \$902,295, in the current year, compared to an \$856,536 increase in the prior year. The increase in the net position is higher in the current year, as revenues increased by \$256,050 and expenses increased by \$210,291.

Total revenues were higher primarily due to increases in operating grants, property taxes, interest amounts, and reduced by decreases in charges for services and local community stabilization revenue. Expenses increased by \$210,291 as community and economic development increased by \$197,760.

The total cost of governmental activities this year was \$2,434,693. After subtracting the direct charges to those who directly benefited from the programs (\$114,178) and operating grants (\$729,655), the "public benefit" portion covered by property taxes, state revenue sharing, and other general revenues was \$1,590,860.

Business-type activities

Business-type activities increased the Village's net position by \$383,840 in the current year compared to a \$123,611 increase in the prior year. Utility and golf billing rates have been set to keep pace with rising costs of the Village's enterprise operations so that the total net position increased in both years.

FINANCIAL ANALYSIS OF THE VILLAGE'S FUNDS

Governmental funds

At the end of the current fiscal year, the Village's governmental funds reported combined ending fund balances of \$3,218,200, a decrease of \$1,513,211 from the prior year. Of the total fund balances, \$1,347,967 (42 percent) constitutes unassigned fund balance, which is available for spending at the Village's discretion. The remainder of fund balance is either nonspendable (\$16,587), restricted for public works (\$1,217,509), committed (\$150,000) or assigned (\$486,137) to indicate that it is not available for new spending.

The General Fund is the primary operating fund of the Village. At the end of the fiscal year, its fund balance was \$2,000,691, a decrease of \$1,430,508, as expenditures of \$4,225,944 exceeded revenues of \$2,795,436.

The Major Street Fund, a special revenue fund, accounts for the use of motor fuel taxes that are earmarked by state statute for major street repairs and improvements. Its fund balance at June 30, 2024, was \$736,112, a decrease of \$155,343, as revenues of \$387,648 were lower than street maintenance and construction costs of \$542,991.

The Local Street Fund, a special revenue fund, accounts for the use of motor fuel taxes that are earmarked by state statute for local street repairs and improvements. Its fund balance at June 30, 2024, was \$481,397, an increase of \$72,640, as revenues of \$168,157 were higher than street maintenance costs of \$95,517.

Proprietary funds

The Sewer Fund experienced an increase in net position of \$162,183 in the current year, as user fees of \$1,294,571 and nonoperating revenues of \$16,468 were higher than total costs of \$1,148,856. Total net position is \$4,415,376 at year end, of which \$2,147,285 is unrestricted.

The Water Fund experienced an increase in net position of \$126,895 in the current year, as user fees of \$732,185 and nonoperating revenues of \$6,764 were higher than total costs of \$612,054. Total net position is \$2,022,339 at year end, of which \$662,302 is unrestricted.

The Golf Course Fund experienced an increase in net position of \$94,762 in the current year, as user fees of \$1,547,332 and nonoperating revenues of \$30,901 exceeded total costs of \$1,483,471. Total net position is \$1,494,915 at year end, of which \$382,116 is unrestricted.

General Fund budgetary highlights

The Village amended its revenue budget to increase total revenues by \$387,483, due to anticipated increases in various revenue sources. The Village also amended its appropriations during the current year so that net budgeted expenditures increased by \$457,264 to reflect changes that occurred over the course of the year. The most significant amendments increased amounts appropriated for capital outlay expenditures by \$290,696 for an anticipated increase in project costs.

Total revenues were \$52,097 less than budgeted. Expenditures were \$343,450 less than the amounts appropriated, as expenditures were lower than appropriations in all functions. These variances, resulted in a \$291,353 positive budget variance with a \$1,430,508 decrease in fund balance compared to a budgeted decrease of \$1,721,861.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital assets

The Village's investment in capital assets for its governmental and business-type activities as of June 30, 2024, amounts to \$23,589,915, net of accumulated depreciation. Governmental capital assets amount to \$8,846,927 and business-type capital assets totaled \$14,742,988. These investments include a broad range of assets, including buildings, equipment, streets, and sewer and water facilities. The increase in the Village's net investment in capital assets for the current fiscal year was \$2,440,477 as additions of \$3,369,006 exceeded current year depreciation of \$928,529.

	<i>Governmental activities</i>	<i>Business-type activities</i>
Land	\$ 1,165,533	\$ 1,000,000
Infrastructure	4,137,944	12,686,718
Golf course	-	915,253
Buildings and improvements	3,202,372	-
Furniture and equipment	137,243	-
Vehicles	203,835	-
Construction in progress	-	141,017
 Totals	 \$ 8,846,927	 \$ 14,742,988

Major capital asset events during the current fiscal year included the following:

- Street improvements for \$428,126
- Sewer and Water infrastructure improvements \$294,927
- Construction costs incurred to date on the new Village hall totaled \$2,129,242
- A new vehicle was purchased for \$83,477

More detailed information about the Village's capital assets is presented in Note 5 of the notes to the basic financial statements.

Debt

At the end of the fiscal year, the Village had total long-term debt outstanding, in the amount of \$12,298,597, which represents a net decrease of \$338,711, due to the issuance of new debt of \$471,358 and principal payments of \$810,069. Other long-term obligations of the governmental activities of \$175,644, represent accrued compensated absences. The Village also recognized a net pension liability, associated with its defined benefit pension plan, in the amount of \$846,478 for governmental activities and \$440,353 for business-type activities.

More detailed information about the Village's long-term obligations is presented in Notes 9 and 10 of the notes to the basic financial statements.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The Village plans to primarily use current revenues to provide essential services in fiscal year 2025, in order to maintain current fund balances. The Village continues to review all budget line-items for opportunities to reduce expenditures. The budget will be monitored during the year to identify any necessary amendments.

CONTACTING THE VILLAGE'S FINANCIAL MANAGEMENT

This financial report is designed to provide a general overview of the Village's finances to its citizens, taxpayers, 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:

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Village of Vicksburg
126 North Kalamazoo Avenue
Vicksburg, MI 49097

Phone: (269) 649-1919
E-mail: jmallery@vicksburgmi.org

BASIC FINANCIAL STATEMENTS

Village of Vicksburg

STATEMENT OF NET POSITION

June 30, 2024

	Primary government			Component units	
	Governmental activities	Business-type activities	Totals	Downtown Development Authority	Brownfield Redevelopment Authority
ASSETS					
Current assets:					
Cash	\$ 3,524,125	\$ 3,354,770	\$ 6,878,895	\$ 143,342	\$ 537,117
Receivables	224,012	524,500	748,512	-	-
Due from component units	10,818	-	10,818	-	-
Restricted cash	-	640,350	640,350	-	-
Inventory and prepaids	16,587	96,224	112,811	-	-
Total current assets	<u>3,775,542</u>	<u>4,615,844</u>	<u>8,391,386</u>	<u>143,342</u>	<u>537,117</u>
Noncurrent assets:					
Receivables	47,327	-	47,327	-	-
Leased asset, net of amortization	-	73,960	73,960	-	-
Capital assets not being depreciated	1,165,533	1,141,017	2,306,550	-	-
Capital assets, net of depreciation	7,681,394	13,601,971	21,283,365	86,902	-
Total noncurrent assets	<u>8,894,254</u>	<u>14,816,948</u>	<u>23,711,202</u>	<u>86,902</u>	<u>-</u>
Total assets	<u>12,669,796</u>	<u>19,432,792</u>	<u>32,102,588</u>	<u>230,244</u>	<u>537,117</u>
DEFERRED OUTFLOWS OF RESOURCES					
Deferred pension amounts	124,558	64,799	189,357	-	-
Loss on bond refunding, net	-	4,419	4,419	-	-
Total deferred outflows of resources	<u>124,558</u>	<u>69,218</u>	<u>193,776</u>	<u>-</u>	<u>-</u>
LIABILITIES					
Current liabilities:					
Payables	185,357	241,469	426,826	688	-
Unearned revenue	366,024	211,450	577,474	-	-
Due to primary government	-	-	-	-	10,818
Compensated absences	50,444	-	50,444	-	-
Lease payable	-	60,083	60,083	-	-
Bonds payable	55,000	321,000	376,000	-	-
Total current liabilities	<u>656,825</u>	<u>834,002</u>	<u>1,490,827</u>	<u>688</u>	<u>10,818</u>
Noncurrent liabilities:					
Compensated absences	125,200	-	125,200	-	-
Net pension liability	846,478	440,353	1,286,831	-	-
Bonds payable	1,635,659	10,286,938	11,922,597	-	-
Total noncurrent liabilities	<u>2,607,337</u>	<u>10,727,291</u>	<u>13,334,628</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>3,264,162</u>	<u>11,561,293</u>	<u>14,825,455</u>	<u>688</u>	<u>10,818</u>
DEFERRED INFLOWS OF RESOURCES					
Pension	<u>15,547</u>	<u>8,087</u>	<u>23,634</u>	<u>-</u>	<u>-</u>
NET POSITION					
Net investment in capital assets	7,156,268	4,153,346	11,309,614	86,902	-
Restricted for:					
Public works	1,217,509	-	1,217,509	-	-
Debt service	-	587,581	587,581	-	-
Unrestricted	1,140,868	3,191,703	4,332,571	142,654	526,299
Total net position	<u>\$ 9,514,645</u>	<u>\$ 7,932,630</u>	<u>\$ 17,447,275</u>	<u>\$ 229,556</u>	<u>\$ 526,299</u>

See notes to financial statements

Village of Vicksburg

STATEMENT OF ACTIVITIES

Year ended June 30, 2024

Functions/Programs	Program revenues				Net (expenses) revenues and changes in net position				Component units	
	Expenses	Charges for services	Operating grants and contributions	Capital grants and contributions	Primary government		Totals	Downtown Development Authority	Brownfield Redevelopment Authority	
					Governmental activities	Business-type activities				
Primary government										
Governmental activities:										
General government	\$ 345,641	\$ 59,028	\$ 17,383	\$ -	\$ (269,230)		\$ (269,230)			
Public safety	875,600	46,827	29,829	-	(798,944)		(798,944)			
Public works	803,103	8,323	547,484	-	(247,296)		(247,296)			
Community and economic development	231,901	-	120,509	-	(111,392)		(111,392)			
Recreation and culture	142,800	-	14,450	-	(128,350)		(128,350)			
Interest on long-term debt	35,648	-	-	-	(35,648)		(35,648)			
Total governmental activities	<u>2,434,693</u>	<u>114,178</u>	<u>729,655</u>	<u>-</u>	<u>(1,590,860)</u>		<u>(1,590,860)</u>			
Business-type activities:										
Sewer	1,148,856	1,294,571	-	-	\$ 145,715		145,715			
Water	612,054	732,185	-	-	120,131		120,131			
Golf course	1,483,471	1,547,332	-	-	63,861		63,861			
Total business-type activities	<u>3,244,381</u>	<u>3,574,088</u>	<u>-</u>	<u>-</u>	<u>329,707</u>		<u>329,707</u>			
Total primary government	<u>\$ 5,679,074</u>	<u>\$ 3,688,266</u>	<u>\$ 729,655</u>	<u>\$ -</u>	<u>(1,590,860)</u>		<u>329,707</u>		<u>(1,261,153)</u>	
Component units										
Downtown Development Authority	\$ 185,817	\$ -	\$ 42,000	\$ -			\$ (143,817)	\$ -		
Brownfield Redevelopment Authority	5,033	-	-	-			-	-	(5,033)	
Total component units	<u>\$ 190,850</u>	<u>\$ -</u>	<u>\$ 42,000</u>	<u>\$ -</u>			<u>(143,817)</u>		<u>(5,033)</u>	
General revenues:										
Property taxes					1,905,843	-	1,905,843	92,412	30,206	
State shared revenue					449,112	-	449,112	-	-	
Local community stabilization revenue					73,888	-	73,888	-	-	
Cable television franchise fees					14,113	-	14,113	-	-	
Unrestricted interest income					50,199	28,592	78,791	1,143	12,853	
Other					-	25,541	25,541	-	-	
Totals					<u>2,493,155</u>	<u>54,133</u>	<u>2,547,288</u>	<u>93,555</u>	<u>43,059</u>	
Changes in net position					902,295	383,840	1,286,135	(50,262)	38,026	
Net position - beginning					<u>8,612,350</u>	<u>7,548,790</u>	<u>16,161,140</u>	<u>279,818</u>	<u>488,273</u>	
Net position - ending					<u>\$ 9,514,645</u>	<u>\$ 7,932,630</u>	<u>\$ 17,447,275</u>	<u>\$ 229,556</u>	<u>\$ 526,299</u>	

See notes to financial statements

Village of Vicksburg

BALANCE SHEET - *governmental funds*

June 30, 2024

	<i>General</i>	<i>Major Street</i>	<i>Local Street</i>	<i>Total governmental funds</i>
ASSETS				
Cash	\$ 2,381,547	\$ 681,046	\$ 461,532	\$ 3,524,125
Receivables	186,211	61,335	23,793	271,339
Due from component units	10,818	-	-	10,818
Prepays	16,587	-	-	16,587
 Total assets	 <u>\$ 2,595,163</u>	 <u>\$ 742,381</u>	 <u>\$ 485,325</u>	 <u>\$ 3,822,869</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
Liabilities:				
Payables	\$ 164,638	\$ 6,269	\$ 3,928	\$ 174,835
Unearned federal grant revenue	366,024	-	-	366,024
 Total liabilities	 <u>530,662</u>	 <u>6,269</u>	 <u>3,928</u>	 <u>540,859</u>
Deferred inflows of resources:				
Unavailable sales contract revenue	63,810	-	-	63,810
Fund balances:				
Nonspendable - prepays	16,587	-	-	16,587
Restricted for - public works	-	736,112	481,397	1,217,509
Committed for:				
General government stabilization	150,000	-	-	150,000
Assigned for:				
Capital acquisitions	426,137	-	-	426,137
Pension reserve	60,000	-	-	60,000
Unassigned	1,347,967	-	-	1,347,967
 Total fund balances	 <u>2,000,691</u>	 <u>736,112</u>	 <u>481,397</u>	 <u>3,218,200</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 2,595,163</u>	<u>\$ 742,381</u>	<u>\$ 485,325</u>	<u>\$ 3,822,869</u>
Reconciliation of the balance sheet to the statement of net position:				
Total fund balance - total governmental funds				\$ 3,218,200
Amounts reported for <i>governmental activities</i> in the statement of net position (page 12) are different because:				
Capital assets used in <i>governmental activities</i> are not financial resources and, therefore, are not reported in the funds.				8,846,927
Deferred outflows of resources, related to the pension plan, relate to future years and, therefore, are not reported in the funds.				124,558
Compensated absences are not due and payable in the current period and, therefore, are not reported in the funds.				(175,644)
Bonds payable are not due and payable in the current period and, therefore, are not reported in the funds.				(1,690,659)
Interest payable, related to long-term liabilities, is not due and payable in the current period and, therefore, is not reported in the funds.				(10,522)
Certain receivables are not available to pay for the current period's expenditures and, therefore, are deferred inflows of resources in the funds.				63,810
Deferred inflows of resources, related to the pension plan, relate to future years and, therefore, are not reported in the funds.				(15,547)
The net pension liability is not due and payable in the current period and, therefore, is not reported in the funds.				(846,478)
Net position of <i>governmental activities</i>				<u>\$ 9,514,645</u>

See notes to financial statements

Village of Vicksburg

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND

BALANCES - governmental funds

Year ended June 30, 2024

	<i>General</i>	<i>Major Street</i>	<i>Local Street</i>	<i>Total governmental funds</i>
REVENUES				
Property taxes	\$ 1,925,769	\$ -	\$ -	\$ 1,925,769
Licenses and permits	18,013	-	-	18,013
Federal grants	1,383	-	-	1,383
State grants	532,829	382,567	164,917	1,080,313
Intergovernmental	47,450	-	-	47,450
Fines and forfeitures	4,727	-	-	4,727
Interest and rentals	55,701	5,081	3,240	64,022
Other	209,564	-	-	209,564
 Total revenues	 2,795,436	 387,648	 168,157	 3,351,241
EXPENDITURES				
Current:				
General government	309,445	-	-	309,445
Public safety	844,381	-	-	844,381
Public works	381,605	68,613	69,876	520,094
Community and economic development	101,456	-	-	101,456
Recreation and culture	93,694	-	-	93,694
Capital outlay	2,449,397	415,739	25,641	2,890,777
Debt service:				
Principal	30,000	39,340	-	69,340
Interest	15,966	19,299	-	35,265
 Total expenditures	 4,225,944	 542,991	 95,517	 4,864,452
NET CHANGES IN FUND BALANCES	(1,430,508)	(155,343)	72,640	(1,513,211)
FUND BALANCES - BEGINNING	3,431,199	891,455	408,757	4,731,411
FUND BALANCES - ENDING	\$ 2,000,691	\$ 736,112	\$ 481,397	\$ 3,218,200

See notes to financial statements

Village of Vicksburg**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND****BALANCES - *governmental funds* (Continued)****Year ended June 30, 2024**

Reconciliation of the statement of revenues, expenditures, and changes in fund balances to the statement of activities:

Net change in fund balance - total governmental funds (page 15)	\$ (1,513,211)
Amounts reported for <i>governmental activities</i> in the statement of activities (page 13) are different because:	
Capital assets:	
Assets acquired:	
Purchased	2,749,554
Provision for depreciation	(395,549)
Long-term debt:	
Retirements	69,340
Amortization of bond discount	(737)
Changes in other assets/liabilities:	
Net increase in compensated absences	(11,616)
Net decrease in interest payable	354
Decrease in net pension liability	87,689
Decrease in deferred inflows of resources related to unavailable revenue	(14,253)
Net decrease in deferred outflows of resources related to pension	(50,590)
Net increase in deferred inflows of resources related to pension	<u>(18,686)</u>
Change in net position of <i>governmental activities</i>	<u>\$ 902,295</u>

Village of Vicksburg

STATEMENT OF NET POSITION - *proprietary funds*

June 30, 2024

	Business-type activities			
	Enterprise funds			
	Sewer	Water	Golf Course	Totals
ASSETS				
Current assets:				
Cash	\$ 2,075,154	\$ 692,501	\$ 587,115	\$ 3,354,770
Receivables	334,383	180,228	9,889	524,500
Restricted cash	415,971	224,379	-	640,350
Inventory and prepaids	1,866	667	93,691	96,224
Total current assets	<u>2,827,374</u>	<u>1,097,775</u>	<u>690,695</u>	<u>4,615,844</u>
Noncurrent assets:				
Leased asset, net of amortization	-	-	73,960	73,960
Capital assets not being depreciated	141,017	-	1,000,000	1,141,017
Capital assets, net of depreciation	8,953,012	3,733,706	915,253	13,601,971
Total noncurrent assets	<u>9,094,029</u>	<u>3,733,706</u>	<u>1,989,213</u>	<u>14,816,948</u>
Total assets	<u>11,921,403</u>	<u>4,831,481</u>	<u>2,679,908</u>	<u>19,432,792</u>
DEFERRED OUTFLOWS OF RESOURCES				
Pension	29,559	29,559	5,681	64,799
Loss on bond refunding, net	-	4,419	-	4,419
Total deferred outflows of resources	<u>29,559</u>	<u>33,978</u>	<u>5,681</u>	<u>69,218</u>
LIABILITIES				
Current liabilities:				
Payables	126,484	51,489	63,496	241,469
Unearned operating revenue	-	-	211,450	211,450
Lease payable	-	-	60,083	60,083
Bonds payable	170,000	81,000	70,000	321,000
Total current liabilities	<u>296,484</u>	<u>132,489</u>	<u>405,029</u>	<u>834,002</u>
Noncurrent liabilities:				
Net pension liability	200,874	200,874	38,605	440,353
Bonds payable	7,034,539	2,506,068	746,331	10,286,938
Total noncurrent liabilities	<u>7,235,413</u>	<u>2,706,942</u>	<u>784,936</u>	<u>10,727,291</u>
Total liabilities	<u>7,531,897</u>	<u>2,839,431</u>	<u>1,189,965</u>	<u>11,561,293</u>
DEFERRED INFLOWS OF RESOURCES				
Pension	3,689	3,689	709	8,087
NET POSITION				
Net investment in capital assets	1,889,490	1,151,057	1,112,799	4,153,346
Restricted for debt service	378,601	208,980	-	587,581
Unrestricted	2,147,285	662,302	382,116	3,191,703
Total net position	<u>\$ 4,415,376</u>	<u>\$ 2,022,339</u>	<u>\$ 1,494,915</u>	<u>\$ 7,932,630</u>

Village of Vicksburg

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION -

proprietary funds

Year ended June 30, 2024

	<i>Business-type activities</i>			
	<i>Enterprise funds</i>			
	<i>Sewer</i>	<i>Water</i>	<i>Golf Course</i>	<i>Totals</i>
OPERATING REVENUES				
Charges for services	\$ 1,294,435	\$ 724,529	\$ 1,534,385	\$ 3,553,349
Other	136	7,656	12,947	20,739
Total operating revenues	1,294,571	732,185	1,547,332	3,574,088
OPERATING EXPENSES				
Administration	248,567	248,813	515,816	1,013,196
Professional services	22,376	38,501	142,555	203,432
Repairs and maintenance	97,056	10,546	113,003	220,605
Equipment rental	-	878	31,082	31,960
Other	36,574	48,306	81,867	166,747
Treatment	315,267	-	-	315,267
Supplies	16,745	72,308	369,086	458,139
Amortization	1,004	1,795	94,047	96,846
Depreciation	291,420	139,707	101,853	532,980
Total operating expenses	1,029,009	560,854	1,449,309	3,039,172
OPERATING INCOME	265,562	171,331	98,023	534,916
NONOPERATING REVENUES (EXPENSES)				
Insurance recoveries	-	-	25,541	25,541
Interest revenue	16,468	6,764	5,360	28,592
Interest expense	(119,847)	(51,200)	(34,162)	(205,209)
Net nonoperating revenues (expenses)	(103,379)	(44,436)	(3,261)	(151,076)
CHANGES IN NET POSITION	162,183	126,895	94,762	383,840
NET POSITION - BEGINNING	4,253,193	1,895,444	1,400,153	7,548,790
NET POSITION - ENDING	\$ 4,415,376	\$ 2,022,339	\$ 1,494,915	\$ 7,932,630

See notes to financial statements

Village of Vicksburg

STATEMENT OF CASH FLOWS - *proprietary funds*

Year ended June 30, 2024

	<i>Business-type activities</i>			
	<i>Enterprise funds</i>			
	<i>Sewer</i>	<i>Water</i>	<i>Golf Course</i>	<i>Totals</i>
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers	\$ 1,268,517	\$ 716,743	\$ 1,620,892	\$ 3,606,152
Payments to suppliers	(563,842)	(272,664)	(1,232,641)	(2,069,147)
Payments to employees	(158,929)	(141,905)	(26,264)	(327,098)
Net cash provided by operating activities	545,746	302,174	361,987	1,209,907
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Proceeds from USDA loans	470,358	1,000	-	471,358
Insurance proceeds	-	-	25,541	25,541
Principal paid on leases	-	-	(93,640)	(93,640)
Acquisition of capital assets	(192,136)	(102,791)	(324,525)	(619,452)
Principal paid on capital debt	(600,825)	(79,000)	(65,000)	(744,825)
Interest paid on capital debt	(117,447)	(50,033)	(33,062)	(200,542)
Net cash used in capital and related financing activities	(440,050)	(230,824)	(490,686)	(1,161,560)
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest received	16,468	6,764	5,360	28,592
NET INCREASE IN CASH	122,164	78,114	(123,339)	76,939
CASH - BEGINNING				
(including restricted cash: Sewer Fund - \$346,842 and Water Fund - \$192,812)	2,368,961	838,766	710,454	3,918,181
CASH - ENDING				
(including restricted cash: Sewer Fund - \$415,971 and Water Fund - \$224,379)	\$ 2,491,125	\$ 916,880	\$ 587,115	\$ 3,995,120

See notes to financial statements

Village of Vicksburg

STATEMENT OF CASH FLOWS - *proprietary funds* (Continued)

Year ended June 30, 2024

	<i>Business-type activities</i>			
	<i>Enterprise funds</i>			
	<i>Sewer</i>	<i>Water</i>	<i>Golf Course</i>	<i>Totals</i>
Reconciliation of operating income to net cash provided by operating activities:				
Operating income	\$ 265,562	\$ 171,331	\$ 98,023	\$ 534,916
Adjustments to reconcile operating income to net cash provided by operating activities:				
Depreciation and amortization expense	291,420	139,707	195,900	627,027
Changes in assets and liabilities:				
Receivables	(26,054)	(15,442)	9,404	(32,092)
Deferred outflows of resources - pension	9,497	9,417	2,246	21,160
Inventory and prepaids	(402)	(116)	(31,520)	(32,038)
Payables	5,799	(3,063)	38,948	41,684
Unearned revenue	-	-	51,209	51,209
Deferred inflows of resources - pension	3,689	3,689	709	8,087
Net pension liability	(3,765)	(3,349)	(2,932)	(10,046)
Net cash provided by operating activities	<u>\$ 545,746</u>	<u>\$ 302,174</u>	<u>\$ 361,987</u>	<u>\$ 1,209,907</u>

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the Village of Vicksburg, Michigan (the Village), conform to accounting principles generally accepted in the United States of America (hereinafter referred to as generally accepted accounting principles) as applicable to governmental units. The following is a summary of the more significant accounting policies.

Reporting entity:

As required by generally accepted accounting principles, these financial statements present the Village (the primary government) located in Kalamazoo County, and its component units described below, for which the Village is financially accountable. The blended and discretely presented component units are reported in separate columns in the government-wide financial statements to emphasize that they are legally separate from the primary government.

Blended component unit - Vicksburg Building Authority:

The *Vicksburg Building Authority* is governed by a four-member board of directors appointed by the Village Council. Although it is legally separate from the Village, the Vicksburg Building Authority is reported as if it were part of the primary government because its sole purpose is to finance and construct the Village's public buildings. However, due to the absence of financial transactions during the year, and any carryforward balances, no information regarding the component unit has been included in the accompanying financial statements.

Discretely presented component units:

The *Downtown Development Authority* was established pursuant to Public Act 197 of 1975, as amended, to correct and prevent deterioration and promote economic growth within the downtown district. The Authority is fiscally dependent on the Village because the Village Council appoints the Authority's governing body and approves its budget. The Village is also obligated to provide some of its tax revenues to the Authority, through tax increment financing, which represents a financial burden on the Village. Fiscal dependence and the financial burden relationship make the Village financially accountable for the Authority and require the Village to report it in its financial statements. Separate financial statements for the component unit have not been issued, as management believes that these financial statements, including disclosures, contain complete information so as to constitute a fair presentation of the component unit.

The *Brownfield Redevelopment Authority* was established pursuant to Public Act 381 of 1996, as amended, to promote the revitalization of environmentally distressed areas within the Village. The Authority is fiscally dependent on the Village because the Village Council appoints the authority's governing body and approves its budget. The Village is also obligated to provide some of its tax revenues to the Authority, through tax increment financing, which represents a financial burden on the Village. Fiscal dependence and the financial burden relationship make the Village financially accountable for the Authority and require the Village to report it in its financial statements. Separate financial statements for the component unit have not been issued, as management believes that these financial statements, including disclosures, contain complete information so as to constitute a fair presentation of the component unit.

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 Village. The effect of interfund activity has been removed from these statements. Governmental activities, normally 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 units for which the primary government is financially accountable.

The statement of activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. 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; and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not properly included among program revenues are reported instead as general revenues.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Government-wide and fund financial statements (continued):

Separate financial statements are provided for governmental funds and the 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 funds 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 revenues as soon as all eligibility requirements imposed by the provider have been met.

Governmental funds 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 if they are collected within the current period, or soon enough thereafter, to pay liabilities of the current period. For this purpose, the Village generally considers revenues to be available if they are expected to be collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, expenditures relating to compensated absences, and claims and judgments are recorded only when payment is due.

State grants, licenses and permits, 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 Village, except those required to be accounted for in another fund. Revenues are primarily derived from property taxes and state shared revenue.

The Major Street Fund, a special revenue fund, accounts for the use of motor fuel taxes that are earmarked by state statute for major street repairs and improvements.

The Local Street Fund, a special revenue fund, accounts for the use of motor fuel taxes that are earmarked by state statute for local street repairs and improvements.

The Village reports the following major proprietary funds:

The Sewer Fund accounts for operation and maintenance of the Village's sewage collection systems and treatment plant.

The Water Fund accounts for the operation and maintenance of the Village's water distribution system and treatment plant.

The Golf Course Fund accounts for the operation and maintenance of the Angels Crossing Golf Course. Financing is provided by user charges.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Measurement focus, basis of accounting, and financial statement presentation (continued):

Amounts reported as program revenues include: (1) charges to customers or applicants for goods, services, or privileges provided; (2) operating grants and contributions; and (3) capital grants and contributions. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

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

Assets, deferred outflows of resources, liabilities, deferred inflows of resources, and equity:

Cash and cash equivalents - Cash is considered to be cash on hand, demand deposits, time deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

Receivables - Activity between funds that is representative of lending/borrowing arrangements outstanding at the end of the fiscal year is referred to as "due to/from other funds." Any residual balances outstanding between the governmental activities and the business-type activities are reported in the government-wide financial statements as "internal balances." No allowance for uncollectible accounts has been recorded, as the Village considers all receivables to be fully collectible.

Prepaid items - Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in the fund basis and government-wide financial statements.

Inventory of supplies - Supplies inventory is stated at cost (as determined on the first-in, first-out basis).

Restricted assets - Certain bond proceeds, and resources set aside for their repayment, are classified as restricted assets because they are maintained in separate bank accounts and their use is limited by applicable bond covenants.

Capital assets - Capital assets, which include property, equipment, and infrastructure assets (e.g., streets and similar items), are reported in the applicable governmental or business-type activities column in the government-wide financial statements. Capital assets are defined by the Village as assets with an initial, individual cost of more than \$5,000 (\$50,000 for infrastructure assets) and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value as of the date received. Governments can elect to account for infrastructure assets either retroactively to June 15, 1980, or prospectively. The Village has elected to account for infrastructure assets prospectively, beginning July 1, 2003. Capital assets are depreciated using the straight-line method over the following useful lives:

Buildings and improvements	20 - 40 years
Equipment and vehicles	3 - 20 years
Right of use assets	3 - 5 years *
Sewer and water systems	50 years
Streets	5 - 30 years

*Right of use assets of the Village are amortized using the straight-line method over the shorter of the lease period or the estimated useful lives

Compensated absences - It is the Village's policy to permit employees to accumulate earned but unused sick and vacation pay benefits. A liability for unpaid accumulated vacation and sick leave has been recorded for the portion due to employees upon separation from service with the Village. Vested compensated absences are accrued when earned in the government-wide and proprietary funds financial statements. A liability for these amounts is reported in governmental funds only for employee terminations as of year end.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, deferred outflows of resources, liabilities, deferred inflows of resources, and equity (continued):

Unearned revenue - Unearned revenue represents resources related to certain golf course fees and unearned federal grants, which have been received, but not yet been earned.

Deferred inflows of resources - The statement of net position and the governmental funds balance sheet include a separate section for deferred inflows of resources. This separate financial statement element reflects an increase in net position that applies to a future period. The related revenue will not be recognized until a future event occurs. The Village has two items. The unavailable sale contract revenue will not be recognized until it is available (collected not later than 60 days after the end of the Village's fiscal year) in the fund financials but is recognized as revenue in the current year in the government-wide financials. It is deferred and recognized as an inflow of resources in the period that the contribution becomes available in the fund statements. The deferred amounts relating to the pension plan are discussed in Note 10.

Deferred outflows of resources - The statement of net position and the proprietary funds statement of net position include a separate section for deferred outflows of resources. This separate financial statement element reflects a decrease in net position that applies to a future period. The related expense will not be recognized until a future event occurs. The Village has two items in this category: a deferred amount arising from the refunding of bonds in a previous year and a deferred amount relating to pensions (Village contributions made after the measurement date of the net pension liability, as well as the unamortized difference between projected and actual investment earnings of the defined benefit pension plan). The deferred refunding amount is being amortized over the remaining life of the refunding bonds as part of interest expense. The deferred pension contributions will be expensed in the subsequent year and the net difference between projected and actual earnings on pension plan investments is being amortized over a closed, five-year period using the straight-line method. No deferred outflows of resources affect the governmental funds financial statements. The deferred amounts relating to the pension plan are discussed in Note 10.

Pension - For purposes of measuring the net pension liability, deferred outflows of resources related to pensions and pension expense, information about the fiduciary net position of the pension plan, and additions to/deductions from the pension plan's fiduciary net position have been determined on the same basis as they are reported by the pension plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Net position - Net position represents the difference between assets and deferred outflows of resources, and liabilities and deferred inflows of resources. The Village reports three categories of net position, as follows: (1) *Net investment in capital assets* consists of net capital assets reduced by outstanding balances of any related debt obligations attributable to the acquisition, construction, or improvement of those assets, and increases by balances of deferred outflows of resources related to those assets; (2) *Restricted net position* is considered restricted if its use is constrained to a particular purpose. Restrictions are imposed by external organizations, such as federal or state laws or buyers of the Village's debt. Restricted net position is reduced by liabilities related to the restricted assets; (3) *Unrestricted net position* consists of all other net position that does not meet the definition of the above components and is available for general use by the Village.

Net position flow assumption - Sometimes, the Village 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 funds financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the Village's policy to consider restricted - net position to have been depleted before unrestricted - net position is applied.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, deferred outflows of resources, liabilities, deferred inflows of resources, and equity (continued):

Fund equity - Governmental funds report nonspendable fund balance for amounts that cannot be spent because they are not in spendable form. Restricted fund balance is reported when externally imposed constraints are placed on the use of these resources by grantors, contributors, or laws and regulations of other governments. The Village Council has delegated the authority to assign fund balance to the Village President. Unassigned fund balance is the residual classification for the General Fund. When the Village incurs an expenditure for purposes for which various fund balance classifications can be used, it is the Village's policy to use restricted fund balance first, followed by assigned fund balance, and, finally, unassigned fund balance.

Budget stabilization - The Village Council has adopted a resolution to establish and maintain a budget stabilization reserve in the General Fund. The tax stabilization reserve will account for funds set aside for the sole purpose of establishing a reserve in which the monies are a contingency and the tax stabilization reserve may only be used when an unrestricted deficit condition that would formulate a deficit elimination plan under the Glenn Steil State Revenue Sharing Act of 1971, Public Act 140 of 1971, Section 21 (2).

Property tax revenue recognition - Property taxes are levied as of July 1 on property values assessed as of December 31 of the prior year. The billings are due on or before August 10, at which time the bill becomes delinquent and penalties and interest may be assessed by the Village. Property tax revenue is recognized in the year for which taxes have been levied and become available. The Village levy date is July 1, and, accordingly, the total levy is recognized as revenue in the current year.

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

NOTE 2 - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Budgetary information - Annual budgets are adopted on a basis consistent with generally accepted accounting principles for the Village's general and special revenue funds. The budget document presents information by fund, function, department, and line-item. The legal level of budgetary control adopted by the governing body is the activity level. All annual appropriations lapse at the end of the fiscal year. There were no reportable budget variances at year end.

NOTE 3 - CASH

At June 30, 2024, cash is classified in the accompanying financial statements as follows:

Primary government:	
Cash	\$ 6,878,895
Restricted cash	640,350
Component units - cash	<u>680,459</u>
 Total cash	 <u>\$ 8,199,704</u>

NOTE 3 - CASH (Continued)

At June 30, 2024, cash consists of the following:

Cash on hand	\$ 2,055
Deposits with financial institutions	<u>8,197,649</u>
Total	<u>\$ 8,199,704</u>

Deposits - Michigan Compiled Laws, Section 129.91 (Public Act 20 of 1943, as amended) and the Village's investment policy authorize the Village to make deposits in the accounts of federally-insured banks, credit unions, and savings and loan associations that have an office in Michigan. The Village's deposits are in accordance with statutory authority.

Custodial credit risk is the risk that, in the event of the failure of a financial institution, the Village will not be able to recover its deposits. The Village's investment policy does not specifically address custodial credit risk for deposits. As of June 30, 2024, \$6,008,047 of the Village's bank balances of \$8,281,256 was exposed to custodial credit risk because it was uninsured and uncollateralized. The Village maintains individual and pooled bank accounts for all of its funds and its component units. Due to the use of pooled deposits, it is not practicable to allocate insured and uninsured portions of certain bank balances between the primary government and the component units.

NOTE 4 - RECEIVABLES

Receivables as of June 30, 2024, for the Village's individual major funds and for the discretely presented component units, all of which are considered fully collectible, were as follows:

<i>Fund</i>	<i>Accounts</i>	<i>Inter-governmental</i>	<i>Totals</i>
Primary government:			
Governmental:			
General	\$ 110,085	\$ 76,126	\$ 186,211
Major street	-	61,335	61,335
Local street	-	23,793	23,793
Total governmental	<u>\$ 110,085</u>	<u>\$ 161,254</u>	<u>\$ 271,339</u>
Noncurrent portion	<u>\$ 47,327</u>	<u>\$ -</u>	<u>\$ 47,327</u>
Proprietary:			
Enterprise:			
Sewer	\$ 334,383	\$ -	\$ 334,383
Water	180,228	-	180,228
Golf	9,889	-	9,889
Total proprietary	<u>\$ 524,500</u>	<u>\$ -</u>	<u>\$ 524,500</u>

NOTE 5 - CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2024, was as follows:

	<i>Beginning balance</i>	<i>Increases</i>	<i>Decreases</i>	<i>Ending balance</i>
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 1,087,935	\$ 77,598	\$ -	\$ 1,165,533
Construction in progress	502,134	-	(502,134)	-
Total capital assets not being depreciated	<u>1,590,069</u>	<u>77,598</u>	<u>(502,134)</u>	<u>1,165,533</u>
Capital assets being depreciated:				
Land improvements	6,949,562	428,126	-	7,377,688
Buildings and improvements	1,760,760	2,631,376	-	4,392,136
Furniture and equipment	1,367,380	31,111	-	1,398,491
Vehicles	422,239	83,477	-	505,716
Subtotal	<u>10,499,941</u>	<u>3,174,090</u>	<u>-</u>	<u>13,674,031</u>
Less accumulated depreciation for:				
Land improvements	(2,969,379)	(270,365)	-	(3,239,744)
Buildings and improvements	(1,155,662)	(34,102)	-	(1,189,764)
Furniture and equipment	(1,220,946)	(40,302)	-	(1,261,248)
Vehicles	(251,101)	(50,780)	-	(301,881)
Subtotal	<u>(5,597,088)</u>	<u>(395,549)</u>	<u>-</u>	<u>(5,992,637)</u>
Total capital assets being depreciated, net	<u>4,902,853</u>	<u>2,778,541</u>	<u>-</u>	<u>7,681,394</u>
Governmental activities capital assets, net	<u>\$ 6,492,922</u>	<u>\$ 2,856,139</u>	<u>\$ (502,134)</u>	<u>\$ 8,846,927</u>
Component unit - DDA:				
Capital assets being depreciated:				
Land improvements	\$ 194,954	\$ -	\$ -	\$ 194,954
Less accumulated depreciation for:				
Land improvements	<u>(92,819)</u>	<u>(15,233)</u>	<u>-</u>	<u>(108,052)</u>
Total capital assets being depreciated, net	<u>102,135</u>	<u>(15,233)</u>	<u>-</u>	<u>86,902</u>
Component unit - DDA capital assets, net	<u>\$ 102,135</u>	<u>\$ (15,233)</u>	<u>\$ -</u>	<u>\$ 86,902</u>

NOTE 5 - CAPITAL ASSETS (Continued)

	<i>Beginning balance</i>	<i>Increases</i>	<i>Decreases</i>	<i>Ending balance</i>
Business-type activities:				
Capital assets not being depreciated:				
Land	\$ 1,000,000	\$ -	\$ -	\$ 1,000,000
Construction in progress	<u>-</u>	<u>141,017</u>	<u>-</u>	<u>141,017</u>
Total capital assets not being depreciated	<u>1,000,000</u>	<u>141,017</u>	<u>-</u>	<u>1,141,017</u>
Capital assets being depreciated:				
Sewer system	12,367,817	51,119	-	12,418,936
Water system	5,752,866	102,791	-	5,855,657
Golf course	<u>1,540,008</u>	<u>324,525</u>	<u>-</u>	<u>1,864,533</u>
Subtotal	<u>19,660,691</u>	<u>478,435</u>	<u>-</u>	<u>20,139,126</u>
Less accumulated depreciation for:				
Sewer system	(3,174,504)	(291,420)	-	(3,465,924)
Water system	(1,982,244)	(139,707)	-	(2,121,951)
Golf course	<u>(847,427)</u>	<u>(101,853)</u>	<u>-</u>	<u>(949,280)</u>
Subtotal	<u>(6,004,175)</u>	<u>(532,980)</u>	<u>-</u>	<u>(6,537,155)</u>
Total capital assets being depreciated, net	<u>13,656,516</u>	<u>(54,545)</u>	<u>-</u>	<u>13,601,971</u>
Business-type activities capital assets, net	<u>\$ 14,656,516</u>	<u>\$ 86,472</u>	<u>\$ -</u>	<u>\$ 14,742,988</u>

Depreciation expense was charged to the Village's governmental activities functions as follows:

Governmental activities:	
General government	\$ 16,958
Public safety	25,600
Public works	303,885
Recreation and culture	<u>49,106</u>
Total governmental activities	<u>\$ 395,549</u>

NOTE 6 - LEASES

Lease agreements are summarized as follows:

<u>Description</u>	<u>Date</u>	<u>Payment Terms</u>	<u>Amount</u>	<u>Interest Rate</u>	<u>Lease Liability</u>	Current		<u>Amounts due within one year</u>
						Total	Year	
US golf carts	4/1/2021	4 years 24 payments	\$ 9,501	2.99%	\$ 221,072	\$ -	\$ 28,361	\$ 28,361
GPS for Golf carts	4/1/2021	4 years 24 payments	6,392	2.99%	148,727	-	31,722	31,722
						Total	\$ 60,083	\$ 60,083

The golf carts and GPS systems are leased for the Golf course, beginning in April 1, 2021 for a term of four years at a fixed interest rate of 2.99%. This lease is not renewable and the Village will not acquire the equipment at the end of the four years. The golf carts are considered intangible, right-to-use assets with a net book value of \$73,690 (total value of \$351,309, less accumulated amortization of \$277,349).

Annual requirements to amortize long-term obligations and related interest are as follows:

<i>Year ended</i>	<i>June 30:</i>	<i>Principal</i>	<i>Interest</i>
	2025	\$ 60,083	\$ 379
	Totals	\$ 60,083	\$ 379

NOTE 7 - PAYABLES

Payables as of June 30, 2024, for the Village's individual major funds and for the discretely presented component units, were as follows:

<i>Fund</i>	<i>Accounts</i>	<i>Payroll</i>	<i>Interest</i>	<i>Totals</i>
Governmental:				
General	\$ 123,706	\$ 40,932	\$ -	\$ 164,638
Major street	1,118	5,151	-	6,269
Local street	<u>2,500</u>	<u>1,428</u>	<u>-</u>	<u>3,928</u>
Total governmental	<u><u>\$ 127,324</u></u>	<u><u>\$ 47,511</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 174,835</u></u>
Proprietary:				
Enterprise:				
Sewer	\$ 81,481	\$ 7,633	\$ 37,370	\$ 126,484
Water	28,457	7,633	15,399	51,489
Golf Course	<u>53,727</u>	<u>1,353</u>	<u>8,416</u>	<u>63,496</u>
Total proprietary	<u><u>\$ 163,665</u></u>	<u><u>\$ 16,619</u></u>	<u><u>\$ 61,185</u></u>	<u><u>\$ 241,469</u></u>
Component units - Downtown Development Authority	<u><u>\$ 640</u></u>	<u><u>\$ 48</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 688</u></u>

NOTE 8 - JOINT VENTURE

The Village is a member of the South Kalamazoo County Fire Authority (the Authority), which is a joint venture of the Townships of Schoolcraft, Brady, Prairie Ronde, and Wakeshma, and the Villages of Schoolcraft and Vicksburg. The administrative board of the Authority consists of members appointed by each participating unit and a member at-large. The Authority was formed to jointly provide fire protection services within the combined service area, which encompasses the participating municipalities. The interlocal agreement governing the Authority does not convey an equity interest to its members. During the year ended June 30, 2024, the Village contributed \$144,495 as its proportionate share of the Authority's budgeted costs. The Village is unaware of any circumstances that would cause an additional benefit or burden to the participating governments in the near future. Complete audited financial statements for the Authority can be obtained from the Treasurer of the Authority.

The Village is a member of the South Central Michigan Construction Code Inspection, Inc. (SCMCCI), which is a joint venture of Climax Township, Homer Township, Pavilion Township, Schoolcraft Township, Leonidas Township, Brady Township, Sherman Township, NHPB Indian Housing Authority, Wakeshma Township, Prairie Ronde Township, Marengo Township, Burlington Township, Village of Burlington, and Tekonsha Township. The administrative board of the Authority consists of five directors elected from appointed representative from each member municipality. In addition, three at-large board members are elected by all representatives. The SCMCCI was established to administer and enforce the Michigan State Construction Code within its constituent municipalities. Complete audited financial statements for the SCMCCI can be obtained by contacting their offices at 113 S. Capital Avenue, Athens, MI 49011.

The interlocal agreements that established these joint ventures do not convey to the Village an explicit equity interest in the joint ventures. Accordingly, no equity interests in a joint venture are reported as assets of the Village.

The Village is unaware of any indication that either joint venture is accumulating significant financial resources or is experiencing fiscal stress that may cause an additional financial benefit or burden on the Village in the near future.

NOTE 9 - LONG-TERM OBLIGATIONS

At June 30, 2024, long-term obligations are comprised of the following:

Primary government:

Governmental activities:

Bonds:

\$625,000 - 2014 Capital improvement and refunding bonds - payable in annual installments ranging from \$30,000 to \$45,000, plus interest at 3.00% to 4.25%; final payment due October 2033 \$ 380,000

\$1,402,000 - 2020 USDA street bonds - payable in annual installments ranging from \$25,000 to \$48,000, plus interest at 1.50%; final payment due September 2060 1,314,660

Net discount on bonds payable (4,001)

Total bonds payable 1,690,659

Compensated absences 175,644

Total governmental activities long-term obligations \$ 1,866,303

Business-type activities:

Bonds:

\$2,855,000 - 2014 Capital and refunding bonds - payable in annual installments ranging from \$145,000 to \$210,000, plus interest at 3.00% to 4.25%; final payment due October 2033 \$ 1,730,000

\$7,595,000 - 2020 USDA Sewer bonds - payable in annual installments ranging from \$135,000 to \$260,000, plus interest at 1.50%; final payment due September 2060 6,769,175

\$1,388,000 - 2020 USDA Water series A bonds - payable in annual installments ranging from \$25,000 to \$50,000, plus interest at 1.50%; final payment due September 2060 1,316,000

\$841,000 - 2020 USDA Water series B bonds - payable in annual installments ranging from \$14,000 to \$30,000, plus interest at 1.50%; final payment due September 2062 810,000

\$1,075,000 - 2024 USDA Water series bonds - payable in annual installments ranging from \$14,000 to \$44,000, plus interest at 2.75%; final payment due September 2064 1,000

Less discounts on bonds (18,237)

Total bonds payable \$10,607,938

NOTE 9 - LONG-TERM OBLIGATIONS (Continued)

Long-term obligation activity for the year ended June 30, 2024, was as follows:

	<i>Beginning balance</i>	<i>Additions</i>	<i>Reductions</i>	<i>Ending balance</i>	<i>Amounts due within one year</i>
Primary government:					
Governmental activities:					
Direct debt - bonds					
USDA Bonds					
2020 USDA	\$ 1,354,000	\$ -	\$ (39,340)	\$ 1,314,660	\$ 25,000
Other debt - bonds					
Refunding bonds					
2014 Capital and refunding bonds	410,000	-	(30,000)	380,000	30,000
Other long-term obligations					
Compensated absences	<u>164,028</u>	<u>-</u>	<u>11,616</u>	<u>175,644</u>	<u>-</u>
Subtotal	1,928,028	-	(57,724)	1,870,304	55,000
Less discounts on bonds	<u>(4,738)</u>	<u>-</u>	<u>737</u>	<u>(4,001)</u>	<u>-</u>
Total governmental activities	<u>\$ 1,923,290</u>	<u>\$ -</u>	<u>\$ (56,987)</u>	<u>\$ 1,866,303</u>	<u>\$ 55,000</u>
Business-type activities:					
Direct debt - bonds					
USDA Bonds					
2020 Sewer USDA	\$ 6,864,642	\$ 470,358	\$ (565,825)	\$ 6,769,175	\$ 135,000
2020 Water USDA series A	1,340,000	-	(24,000)	1,316,000	25,000
2020 Water USDA series B	825,000	-	(15,000)	810,000	15,000
2024 Water USDA bonds	-	1,000	-	1,000	1,000
Other debt - bonds					
Refunding bonds					
2014 Capital and refunding bonds	<u>1,870,000</u>	<u>-</u>	<u>(140,000)</u>	<u>1,730,000</u>	<u>145,000</u>
Subtotal	10,899,642	471,358	(744,825)	10,626,175	321,000
Less discounts on bonds	<u>(21,596)</u>	<u>-</u>	<u>3,359</u>	<u>(18,237)</u>	<u>-</u>
Total business-type activities	<u>\$ 10,878,046</u>	<u>\$ 471,358</u>	<u>\$ (741,466)</u>	<u>\$ 10,607,938</u>	<u>\$ 321,000</u>

NOTE 9 - LONG-TERM OBLIGATIONS (Continued)

At June 30, 2024, debt service requirements, with the exception of compensated absences, are as follows:

Year ended June 30:	Governmental activities				Business-type activities			
	Direct debt - bonds		Other debt - bonds		Direct debt - bonds		Other debt - bonds	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2025	\$ 25,000	\$ 19,936	\$ 30,000	\$ 14,925	\$ 176,000	\$ 136,216	\$ 145,000	\$ 67,781
2026	26,000	19,560	35,000	13,625	180,000	133,516	145,000	61,981
2027	26,000	19,170	35,000	12,225	182,000	130,748	155,000	55,981
2028	27,000	18,780	35,000	10,825	187,000	127,943	160,000	49,681
2029	27,000	18,376	35,000	9,425	188,000	125,086	170,000	43,081
2030-2034	144,000	85,606	210,000	22,700	1,007,000	570,543	955,000	103,711
2035-2039	157,000	74,446	-	-	1,110,000	486,609	-	-
2040-2044	173,000	62,192	-	-	1,234,000	397,000	-	-
2045-2049	190,000	48,692	-	-	1,346,000	298,826	-	-
2050-2054	208,000	33,918	-	-	1,479,000	191,260	-	-
2055-2059	229,000	17,702	-	-	1,626,000	72,707	-	-
2060-2062	82,660	2,192	-	-	181,175	1,620	-	-
Totals	\$ 1,314,660	\$ 420,570	\$ 380,000	\$ 83,725	\$ 8,896,175	\$ 2,672,074	\$ 1,730,000	\$ 382,216

All debt is secured by the full faith and credit of the Village.

NOTE 10 - DEFINED BENEFIT PENSION PLAN*Plan description:*

The Village participates in the Municipal Employees Retirement System of Michigan (MERS). MERS is an agent multiple-employer, statewide public employee pension plan established by the Michigan Legislature under Public Act 135 of 1945 and administered by a nine-member retirement board. MERS issues a publicly-available financial report that includes financial statements and required supplementary information. This report may be obtained by accessing the MERS website at www.mersofmich.com.

Benefits provided:

The Village's defined benefit pension plan provides certain retirement, disability, and death benefits to plan members and beneficiaries and covers employees of the Village's police department. Retirement benefits for eligible employees are calculated as 2.00% of the employee's three-year final average compensation times the employee's years of service. Normal retirement age is 60, with early retirement at a reduced benefit at age 50, with 25 years of service, or age 55 with 15 years of service. Deferred retirement benefits vest after 10 years of credited service but are not paid until the date retirement would have occurred had the member remained an employee. General employees are required to contribute 5% to the plan, while public safety employees are not required to contribute to the plan. An employee who leaves service may withdraw their contributions, plus any accumulated interest. Benefit terms, within the parameters of MERS, are established and amended by the authority of the Village Council.

Employees covered by benefit terms:

At the December 31, 2023, measurement date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	13
Inactive employees entitled to, but not yet receiving, benefits	15
Active employees	5
Total	33

NOTE 10 - DEFINED BENEFIT PENSION PLAN (Continued)*Contributions:*

The Village is required to contribute amounts at least equal to the actuarially determined rate, as established by the MERS Retirement Board. The actuarially determined rate is the estimated amount necessary to finance the cost of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. General employees are required to contribute 5% to the plan, while public safety employees are not required to contribute to the plan. For the fiscal year ended June 30, 2024, Village contributions ranged from \$7,033 for general employees to 14.05% of monthly payroll for public safety employees. For the fiscal year ended June 30, 2024, the Village contributed \$123,279 to the plan.

Net pension liability:

The Village's net pension liability reported at June 30, 2024, was determined using a measurement of the total pension liability and the pension net position as of December 31, 2023. The total pension liability was determined by an annual actuarial valuation as of that date.

Actuarial assumptions:

The total pension liability in the December 31, 2023, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50%
Salary increases	3.00% in the long term
Investment rate of return	6.93% net of investment expenses, including inflation

Mortality rates were based on a blend of the RP-2019 Healthy Annuitant Mortality Tables, with rates multiplied by 105 percent; RP-2014 Employee Mortality Tables; and RP-2019 Juvenile Mortality Tables all with a 50 percent male and 50 percent female blend. For disabled retirees, the RP-2019 Disabled Retiree Mortality Table with a 50 percent male and 50 percent female blend is used to reflect the higher expected mortality rates of disabled members.

The actuarial assumptions used in the December 31, 2023, valuation were based on the results of the 2020 Experience Study on data gathered from 2014 to 2018, which is the most recent actuarial experience study.

The long-term expected rate of return on pension plan investments was determined using a model method in which the best-estimate ranges of expected future real rates of return (expected returns, net of investment and administrative expenses, and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following schedule:

Asset class	Target allocation	Long-term expected real rate of return	Expected money-weighted rate of return
Global equity	60.00%	4.20%	2.63%
Global fixed income	20.00%	0.90%	0.40%
Private investments	<u>20.00%</u>	1.90%	1.40%
<u>100.00%</u>			
Inflation			2.50%
Administrative expenses			<u>0.25%</u>
Investment rate of return			<u>7.18%</u>

NOTE 10 - DEFINED BENEFIT PENSION PLAN (Continued)*Discount rate:*

The discount rate used to measure the total pension liability is 7.18% for 2023. The projection of cash flows used to determine the discount rate assumes that employer contributions will be made at the actuarially determined rates for employers. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to pay all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Changes in net pension liability:

	<i>Increase (decrease)</i>		
	<i>Total pension liability (a)</i>	<i>Plan fiduciary net position (b)</i>	<i>Net pension liability (a) - (b)</i>
Balances at December 31, 2022	\$ 3,517,221	\$ 2,132,655	\$ 1,384,566
Changes for the year:			
Service cost	28,972	-	28,972
Interest	249,083	-	249,083
Difference in experience	(47,269)	-	(47,269)
Change in assumptions	27,495	-	27,495
Employer contributions	-	122,041	(122,041)
Employee contributions	-	4,191	(4,191)
Net investment income	-	234,764	(234,764)
Benefit payments, including refunds	(192,197)	(192,197)	-
Administrative expenses	-	(4,983)	4,983
Other	(3)	-	(3)
Net changes	66,081	163,816	(97,735)
Balances at December 31, 2023	<u>\$ 3,583,302</u>	<u>\$ 2,296,471</u>	<u>\$ 1,286,831</u>

Sensitivity of the net pension liability to changes in the discount rate:

The following presents the net pension liability of the Village, calculated using the discount rate of 7.18%, as well as what the Village's net pension liability would be using a discount rate that is 1 percentage point lower (6.18%) or 1 percentage point higher (8.18%) than the current rate.

	<i>1% Decrease (6.18%)</i>	<i>Current Rate (7.18%)</i>	<i>1% Increase (8.18%)</i>
Village's net pension liability	<u>\$ 1,721,126</u>	<u>\$ 1,286,831</u>	<u>\$ 924,940</u>

Pension plan fiduciary net position:

Detailed information about the pension plan's fiduciary net position is available in the separately issued MERS financial report, which can be found at www.mersofmich.com. The plan's fiduciary net position has been determined on the same basis used by the plan. The plan uses the economic resources measurement focus and the full accrual basis of accounting. Investments are stated at fair value. Contribution revenue is recorded as contributions are due. Benefit payments are recognized as expense when due and payable in accordance with benefit terms.

NOTE 10 - DEFINED BENEFIT PENSION PLAN (Continued)*Pension expense and deferred outflows of resources related to pensions:*

For the fiscal year ended June 30, 2024, the Village recognized pension expense of \$120,700. At June 30, 2024, the Village reported deferred outflows of resource related to pensions from the following sources:

<i>Source</i>	<i>Deferred outflows of resources</i>	<i>Deferred inflows of resources</i>
Difference between projected and actual earnings	\$ 113,504	\$ -
Difference between expected and actual experience	-	23,634
Difference in assumptions	<u>13,747</u>	<u>-</u>
	127,251	23,634
Contributions made subsequent to the measurement date	<u>62,106</u>	<u>-</u>
Totals	<u>\$ 189,357</u>	<u>\$ 23,634</u>

The amount reported as deferred outflows of resources resulting from contributions subsequent to the measurement date will be recognized as a reduction in the net pension liability in fiscal year 2025.

Amounts reported as deferred outflows of resources, related to pensions, will be recognized in pension expense as follows:

<i>Year ended June 30,</i>	<i>Deferred outflows of resources</i>	<i>Deferred inflows of resources</i>
2025	\$ 33,774	\$ 23,634
2026	40,592	-
2027	69,428	-
2028	<u>(16,543)</u>	<u>-</u>
	<u>\$ 127,251</u>	<u>\$ 23,634</u>

NOTE 11 - DEFINED CONTRIBUTION PENSION PLAN

The Village contributes to the Village of Vicksburg MERS Defined Contribution Plan (the Plan), a defined contribution pension plan, which is administered by a third-party administrator. The plan covers all full-time employees, who are eligible to participate immediately after they are hired.

Benefit terms, including contribution requirements, for the Plan are established, and may be amended, by the Village Council. In a defined contribution plan, benefits depend solely on amounts contributed to the plan, plus investment earnings. Employees are eligible to participate as described above. The Village contributes between 4% to 8% of eligible wages to the plan. Employees are not required to make contributions to the Plan but can make contributions up to the maximum allowed. For the year ended June 30, 2024, the Village made contributions of \$60,540. At June 30, 2024, the Village reported no amount as accrued liability as part of the contributions to the plan.

The Employee's contributions (and investment earnings allocated to the employee's account) are fully vested upon entering the plan. Forfeitures may be used to reduce or reallocate employer contributions. There were no forfeitures used during the current fiscal year.

The Village is not a trustee of the defined contribution pension plan, nor is the Village responsible for investment management of the pension plan assets. Accordingly, plan assets, and changes therein, are not reported in these financial statements.

NOTE 12 - DEFERRED COMPENSATION PLAN

The Village offers its employees a deferred compensation plan created in accordance with Internal Revenue Code, Section 457. The assets of the plans were held in trust (custodial account or annuity contract), as described in IRC Section 457(b) for the exclusive benefit of the participants (employees) and their beneficiaries. The custodian thereof for the exclusive benefit of the participants holds the custodial account for the beneficiaries of this Section 457 plan, and the assets may not be diverted to any other use. The administrators are agents of the employer for purposes of providing direction to the custodian of the custodial account from time to time for the investment of the funds held in the account, transfer of assets to or from the account, and all other matters. In accordance with the provisions of GASB Statement No. 97, plan balances and activities are not reflected in the Village's financial statements.

NOTE 13 - RISK MANAGEMENT

The Village is exposed to various risks of loss related to property loss, torts, errors and omissions, and employee injuries (workers' compensation). The Village manages its workers compensation risk, by participating in Michigan Municipal Workers Compensation Fund, and its liability and property risk by participating in the Michigan Municipal League's Liability and Property Pool.

The Michigan Municipal Liability and Property Pool is self-sustaining through member premiums. The Michigan Municipal Liability and Property Pool provides, subject to certain deductibles, occurrence-based casualty coverage for each incident and occurrence-based property coverage to its members by internally assuring certain risks and reinsuring risks through commercial companies. Various deductibles are maintained to place the responsibility for small charges with the insured. Settled claims resulting from these risks have not exceeded insurance coverage in any of the past three fiscal years.

NOTE 14 - PROPERTY TAX REVENUE

The 2023 taxable valuation of the Village approximated \$128,488,000, on which ad valorem taxes levied consisted of 15.0322 mills for operating purposes raising approximately \$1,898,000, which is recognized in the fund financial statements as property tax revenue.

NOTE 15 - TAX ABATEMENTS

The Village enters into property tax abatement agreements with local businesses for the purpose of attracting or retaining businesses within the Village. Each agreement was negotiated under a state law, which allows local units to abate property taxes for a variety of economic development purposes. The abatements may be granted to local businesses located within the Village or promising to relocate within the Village. Depending on the statute referenced for a particular abatement, the Village may grant abatements of up to 50% of annual property taxes through a direct reduction of the entity's property tax bill, not to exceed twelve years. Depending on the terms of the agreement and state law, abated taxes may be subject to recapture upon default of the entity. The Village has not made any commitments as part of the agreements other than to reduce taxes. The Village is not subject to any tax abatement agreements entered into by other governmental entities.

For the fiscal year ended June 30, 2024, the Village abated property taxes totaling \$37,109 under Public Act 198 of 1974, related to industrial facilities, which represents a 50% abatement of the millage rate on certain real and personal properties.

NOTE 16 - RESTRICTED NET POSITION

In the government-wide statement of net position, the governmental activities report restricted net position in the amount of \$1,217,509. This amount is restricted by enabling legislation for public works expenditures.

NOTE 17 - PENDING ACCOUNTING PRONOUNCEMENTS

In December 2023, the GASB issued Statement No. 102, *Certain Risk Disclosures*. This Statement requires a government to assess whether a concentration or constraint makes the government vulnerable to the risk of a substantial impact. Additionally, this Statement requires a government to assess whether an event or events associated with a concentration or constraint that could cause the substantial impact have occurred, have begun to occur, or are more likely than not to begin to occur within 12 months of the date the financial statements are issued. If a government determines that those criteria for disclosure have been met for a concentration or constraint, it should disclose information in notes to financial statements in sufficient detail to enable users of financial statements to understand the nature of circumstances disclosed and the government's vulnerability to the risk of substantial impact. The Village is currently evaluating the impact this standard will have on the financial statements when adopted during the 2025 fiscal year.

In April 2024, the GASB issued Statement No. 103, *Financial Reporting Model Improvements*. The objective of this Statement is to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability. This Statement also addresses certain application issues. The Village is currently evaluating the impact this standard will have on the financial statements when adopted during the 2026 fiscal year.

NOTE 17 - PENDING ACCOUNTING PRONOUNCEMENTS (Continued)

In accordance with Governmental Accounting Standards Board (GASB) Statement No. 104, *Disclosure of Certain Capital Assets*, the following information will be provided regarding the capital assets of the Village:

1. **Lease Assets:** Lease assets reported under GASB Statement No. 87, categorized by major class of underlying asset. The historical cost and accumulated amortization of these assets.
2. **Intangible Right-to-Use Assets:** Intangible right-to-use assets recognized under GASB Statement No. 94, categorized by major class of underlying assets. The historical cost and accumulated amortization of these assets.
3. **Subscription Assets:** Subscription assets reported under GASB Statement No. 96. The historical cost and accumulated amortization of these assets.
4. **Other Intangible Assets:** Other intangible assets not listed above, categorized by major class of asset. The historical cost and accumulated depreciation of these assets.
5. **Capital Assets Held for Sale:** Capital assets held for sale, as defined by GASB Statement No. 104. These assets are expected to be sold within one year of the financial statement date. The historical cost and accumulated depreciation of these assets.

This disclosure is intended to provide financial statement users with a clear understanding of the Village's capital assets and their respective categories. The Village is currently evaluating the impact this standard will have on the financial statements when adopted during the 2026 fiscal year.

NOTE 18 - AMERICAN RESCUE PLAN ACT of 2021

On March 11, 2021, the United States executed the American Rescue Plan Act of 2021 (ARPA), which included \$362 billion in funds to be awarded as economic assistance to state and local units to prepare for and respond to COVID-19. Under the American Rescue Plan Act, the Village, was awarded approximately \$366,000 in federal Coronavirus Local Fiscal Recovery Funds ("ARPA Funds"). The Village received half of the ARPA Funds in September 2021, with the second half received in June 2023. The Village is subject to rules issued by the U.S. Treasury Department regarding the use of ARPA Funds and has identified the following allowable uses: support public health expenditures, address negative economic impacts caused by the COVID-19 public health emergency, replace lost public sector revenue, provide premium pay for essential workers, and invest in water, sewer, and broadband infrastructure. The Village expects to spend the awarded funds under the applicable federal guidelines.

REQUIRED SUPPLEMENTARY INFORMATION

Village of Vicksburg

BUDGETARY COMPARISON SCHEDULE - General Fund

Year ended June 30, 2024

	<i>Original budget</i>	<i>Final budget</i>	<i>Actual</i>	<i>Variance with final budget</i> <i>positive (negative)</i>
REVENUES				
Property taxes	\$ 1,769,100	\$ 1,926,752	\$ 1,925,769	\$ (983)
Licenses and permits	13,250	18,717	18,013	(704)
Federal grant	-	1,383	1,383	-
State grants	500,500	524,812	532,829	8,017
Intergovernmental	59,450	47,450	47,450	-
Fines and forfeitures	4,000	3,908	4,727	819
Interest and rentals	16,500	46,970	55,701	8,731
Other	97,250	277,541	209,564	(67,977)
 Total revenues	 2,460,050	 2,847,533	 2,795,436	 (52,097)
EXPENDITURES				
General government:				
Legislative - City Council	21,575	21,591	13,085	8,506
Village president	4,275	4,275	3,795	480
Village manager	82,250	82,354	66,131	16,223
Treasurer	38,030	38,430	33,565	4,865
Clerk	18,000	18,000	15,538	2,462
Administration	213,650	218,067	138,698	79,369
Building and grounds	26,975	41,575	38,633	2,942
 Total general government	 404,755	 424,292	 309,445	 114,847
Public safety:				
Department of Public Safety:				
Police protection	744,100	781,556	695,220	86,336
Fire protection	162,550	163,750	147,986	15,764
Building inspections	500	1,500	1,175	325
 Total public safety	 907,150	 946,806	 844,381	 102,425
Public works:				
Department of Public Works	400,075	440,200	375,516	64,684
Recycling	13,500	13,500	6,089	7,411
Sidewalks	1,000	1,000	-	1,000
 Total public works	 414,575	 454,700	 381,605	 73,095
Community and economic development - community development and planning	44,000	105,350	101,456	3,894
Recreation and culture:				
Parks	125,500	131,400	93,694	37,706

Village of Vicksburg

BUDGETARY COMPARISON SCHEDULE - General Fund (Continued)

Year ended June 30, 2024

	<i>Original budget</i>	<i>Final budget</i>	<i>Actual</i>	<i>Variance with final budget positive (negative)</i>
EXPENDITURES (Continued)				
Capital outlay	\$ 2,161,150	\$ 2,451,846	\$ 2,449,397	\$ 2,449
Debt service - principal	32,500	32,500	30,000	2,500
Debt service - interest	22,500	22,500	15,966	6,534
Total expenditures	4,112,130	4,569,394	4,225,944	343,450
NET CHANGE IN FUND BALANCE	(1,652,080)	(1,721,861)	(1,430,508)	291,353
FUND BALANCE - BEGINNING	3,431,199	3,431,199	3,431,199	-
FUND BALANCE - ENDING	\$ 1,779,119	\$ 1,709,338	\$ 2,000,691	\$ 291,353

Village of Vicksburg

BUDGETARY COMPARISON SCHEDULE - Major Street Fund

Year ended June 30, 2024

	<i>Original budget</i>	<i>Final budget</i>	<i>Actual</i>	<i>Variance with final budget positive (negative)</i>
REVENUES				
State grants	\$ 280,000	\$ 348,448	\$ 382,567	\$ 34,119
Interest	1,600	4,248	5,081	833
Total revenues	<u>281,600</u>	<u>352,696</u>	<u>387,648</u>	<u>34,952</u>
EXPENDITURES				
Public works:				
Construction	25,000	25,000	-	25,000
Preservation	50,050	54,080	22,086	31,994
Winter maintenance	11,400	11,400	3,496	7,904
Traffic service	29,000	41,500	40,073	1,427
Administration	4,500	4,500	2,958	1,542
Total public works	<u>119,950</u>	<u>136,480</u>	<u>68,613</u>	<u>67,867</u>
Debt services - principal	25,000	39,340	39,340	-
Debt services - interest	42,500	42,500	19,299	23,201
Capital outlay	473,000	510,043	415,739	94,304
Total expenditures	<u>660,450</u>	<u>728,363</u>	<u>542,991</u>	<u>185,372</u>
NET CHANGE IN FUND BALANCE	(378,850)	(375,667)	(155,343)	220,324
FUND BALANCE - BEGINNING	<u>891,455</u>	<u>891,455</u>	<u>891,455</u>	<u>-</u>
FUND BALANCE - ENDING	<u>\$ 512,605</u>	<u>\$ 515,788</u>	<u>\$ 736,112</u>	<u>\$ 220,324</u>

Village of Vicksburg

BUDGETARY COMPARISON SCHEDULE - Local Street Fund

Year ended June 30, 2024

	<i>Original budget</i>	<i>Final budget</i>	<i>Actual</i>	<i>Variance with final budget</i> <i>positive (negative)</i>
REVENUES				
State grants	\$ 112,000	\$ 129,307	\$ 164,917	\$ 35,610
Interest	800	2,665	3,240	575
Total revenues	<u>112,800</u>	<u>131,972</u>	<u>168,157</u>	<u>36,185</u>
EXPENDITURES				
Public works:				
Construction	12,500	12,500	-	12,500
Preservation	44,900	50,510	35,007	15,503
Winter maintenance	12,000	12,000	9,492	2,508
Traffic service	7,000	28,250	25,377	2,873
Total public works	<u>76,400</u>	<u>103,260</u>	<u>69,876</u>	<u>33,384</u>
Capital outlay	<u>206,500</u>	<u>206,500</u>	<u>25,641</u>	<u>180,859</u>
Total expenditures	<u>282,900</u>	<u>309,760</u>	<u>95,517</u>	<u>214,243</u>
NET CHANGE IN FUND BALANCE	(170,100)	(177,788)	72,640	250,428
FUND BALANCE - BEGINNING	<u>408,757</u>	<u>408,757</u>	<u>408,757</u>	<u>-</u>
FUND BALANCE - ENDING	<u>\$ 238,657</u>	<u>\$ 230,969</u>	<u>\$ 481,397</u>	<u>\$ 250,428</u>

Village of Vicksburg

SCHEDULE OF CHANGES IN THE VILLAGE'S NET PENSION LIABILITY AND RELATED RATIOS

Last ten fiscal years only

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Total pension liability:										
Service cost	\$ 28,972	\$ 43,704	\$ 34,432	\$ 31,279	\$ 30,888	\$ 23,991	\$ 35,296	\$ 55,959	\$ 66,434	\$ 53,971
Interest	249,083	241,894	231,166	219,800	220,202	218,178	222,773	209,559	196,303	187,244
Difference in experience	(47,269)	9,306	70,507	(27,067)	(48,397)	(51,205)	(138,507)	67,255	16,084	-
Change in assumptions	27,495	-	132,001	93,252	104,791	-	-	-	105,307	-
Benefit change*	-	-	-	-	(576)	(1,169)	(3,305)	-	-	-
Other	(3)	-	-	-	-	2	1	2	2	-
Benefit payments, including refunds	(192,197)	(184,594)	(171,304)	(167,237)	(167,839)	(168,046)	(168,046)	(146,518)	(131,141)	(144,114)
Net change in total pension liability	66,081	110,310	296,802	150,027	139,069	21,751	(51,788)	186,257	252,989	97,101
Total pension liability, beginning of year	<u>3,517,221</u>	<u>3,406,911</u>	<u>3,110,109</u>	<u>2,960,082</u>	<u>2,821,013</u>	<u>2,799,262</u>	<u>2,851,050</u>	<u>2,664,793</u>	<u>2,411,804</u>	<u>2,314,703</u>
Total pension liability, end of year	<u>\$ 3,583,302</u>	<u>\$ 3,517,221</u>	<u>\$ 3,406,911</u>	<u>\$ 3,110,109</u>	<u>\$ 2,960,082</u>	<u>\$ 2,821,013</u>	<u>\$ 2,799,262</u>	<u>\$ 2,851,050</u>	<u>\$ 2,664,793</u>	<u>\$ 2,411,804</u>
Plan fiduciary net position:										
Contributions - employer	\$ 122,041	\$ 111,921	\$ 98,062	\$ 88,140	\$ 96,214	\$ 84,759	\$ 94,773	\$ 113,293	\$ 103,872	\$ 84,447
Contributions - employee	4,191	6,700	6,587	5,481	4,953	4,690	2,182	-	-	-
Net investment income (loss)	234,764	(254,258)	310,048	254,942	250,481	(77,358)	241,982	192,887	(26,146)	107,258
Benefit payments, including refunds	(192,197)	(184,594)	(171,304)	(167,237)	(167,839)	(168,046)	(168,046)	(146,518)	(131,141)	(144,114)
Administrative expenses	(4,983)	(4,496)	(3,558)	(4,070)	(4,318)	(3,878)	(3,834)	(3,805)	(3,833)	(3,926)
Net change in plan fiduciary net position	163,816	(324,727)	239,835	177,256	179,491	(159,833)	167,057	155,857	(57,248)	43,665
Plan fiduciary net position, beginning of year	<u>2,132,655</u>	<u>2,457,382</u>	<u>2,217,547</u>	<u>2,040,291</u>	<u>1,860,800</u>	<u>2,020,633</u>	<u>1,853,576</u>	<u>1,697,719</u>	<u>1,754,967</u>	<u>1,711,302</u>
Plan fiduciary net position, end of year	<u>\$ 2,296,471</u>	<u>\$ 2,132,655</u>	<u>\$ 2,457,382</u>	<u>\$ 2,217,547</u>	<u>\$ 2,040,291</u>	<u>\$ 1,860,800</u>	<u>\$ 2,020,633</u>	<u>\$ 1,853,576</u>	<u>\$ 1,697,719</u>	<u>\$ 1,754,967</u>
Village's net pension liability, end of year	<u>\$ 1,286,831</u>	<u>\$ 1,384,566</u>	<u>\$ 949,529</u>	<u>\$ 892,562</u>	<u>\$ 919,791</u>	<u>\$ 960,213</u>	<u>\$ 778,629</u>	<u>\$ 997,474</u>	<u>\$ 967,074</u>	<u>\$ 656,837</u>
Plan fiduciary net position as a percent of total pension liability	64.09%	60.63%	72.13%	71.30%	68.93%	65.96%	72.18%	65.01%	63.71%	72.77%
Covered payroll	\$ 283,479	\$ 413,494	\$ 338,305	\$ 358,148	\$ 351,491	\$ 383,389	\$ 398,139	\$ 631,719	\$ 758,554	\$ 628,481
Village's net pension liability as a percentage of covered employee payroll	453.94%	334.85%	280.67%	249.22%	261.68%	250.45%	195.57%	157.90%	127.49%	104.51%

* Increased employee contributions from 0% to 2%

Village of Vicksburg

SCHEDULE OF VILLAGE PENSION CONTRIBUTIONS

Last Ten Fiscal Years

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Actuarially determined contributions	\$123,279	\$120,294	\$104,469	\$ 89,445	\$ 87,679	\$ 94,980	\$ 98,228	\$100,613	\$134,820	\$ 89,092
Contributions in relation to the actuarially determined contributions	<u>123,279</u>	<u>120,294</u>	<u>104,469</u>	<u>89,445</u>	<u>87,679</u>	<u>94,980</u>	<u>98,228</u>	<u>100,613</u>	<u>134,820</u>	<u>89,092</u>
Contribution deficiency	<u>\$ -</u>									
Covered payroll	<u>\$283,479</u>	<u>\$413,494</u>	<u>\$338,305</u>	<u>\$358,148</u>	<u>\$351,491</u>	<u>\$383,389</u>	<u>\$398,139</u>	<u>\$631,719</u>	<u>\$758,554</u>	<u>\$628,481</u>
Contributions as a percentage of covered payroll	43.49%	29.09%	30.88%	24.97%	24.94%	23.84%	24.67%	15.09%	17.77%	14.18%

Actuarial valuation information relative to the determination of contributions

Valuation date Actuarially determined contribution rates are calculated as of December 31 each year, which is 18 months prior to the beginning of the fiscal year in which the contributions are required.

Methods and assumptions used to determine contribution rates

Actuarial costs method	Entry-age normal cost
Amortization method	Level percentage of pay, open
Remaining amortization period	15 years
Asset valuation method	5-year smoothed market
Inflation	2.50%
Salary increases	3.00% (3.75% for 2015 through 2019)
Investment rate of return	6.93%, net of investment and administrative expenses, including inflation (7.75% for 2015 through 2019)
Retirement age	Normal retirement age is 60 years
Mortality	50% Female/50% Male blend of the RP-2019 Healthy Annuitant Mortality Tables with rates multiplied by 105%

SUPPLEMENTARY INFORMATION

Village of Vicksburg

BALANCE SHEET - component units

June 30, 2024

	<i>Downtown Development Authority</i>	<i>Brownfield Redevelopment Authority</i>
ASSETS		
Cash	<u>\$ 143,342</u>	<u>\$ 537,117</u>
LIABILITIES AND FUND BALANCES		
Liabilities:		
Payables	\$ 688	\$ -
Due to primary government	- <u>10,818</u>	
Total liabilities	<u>688</u>	<u>10,818</u>
Fund balances:		
Assigned for:		
Façade loan program	42,000	-
Holiday events	1,570	-
Unassigned	<u>99,084</u>	<u>526,299</u>
Total fund balance	<u>142,654</u>	<u>526,299</u>
Total liabilities and fund balances	<u>\$ 143,342</u>	<u>\$ 537,117</u>
Reconciliation of the balance sheet to the statement of net position:		
Total fund balances	\$ 142,654	\$ 526,299
Amounts reported for the <i>component units</i> in the statement of net position (page 12) are different because:		
Certain assets of the <i>component units</i> are not current financial resources and, therefore, are not reported in the funds.	<u>86,902</u>	-
Net position of the <i>component units</i>	<u>\$ 229,556</u>	<u>\$ 526,299</u>

Village of Vicksburg

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND

BALANCES - *component units*

Year ended June 30, 2024

	<i>Downtown</i> <i>Development</i> <i>Authority</i>	<i>Brownfield</i> <i>Redevelopment</i> <i>Authority</i>
REVENUES		
Property taxes	\$ 92,412	\$ 30,206
Interest	1,143	12,853
Other	<u>42,000</u>	-
Total revenues	<u>135,555</u>	<u>43,059</u>
EXPENDITURES		
Current - community and economic development	139,968	5,033
Capital outlay	<u>30,616</u>	-
Total expenditures	<u>170,584</u>	<u>5,033</u>
NET CHANGES IN FUND BALANCES	(35,029)	38,026
FUND BALANCES - BEGINNING	<u>177,683</u>	<u>488,273</u>
FUND BALANCES - ENDING	<u>\$ 142,654</u>	<u>\$ 526,299</u>
Reconciliation of the statement of revenues, expenditures, and changes in fund balances to the statement of activities:		
Net changes in fund balances, per above	\$ (35,029)	\$ 38,026
Amounts reported for <i>component units</i> in the statement of activities (page 13) are different because:		
Capital assets - provision for depreciation	(15,233)	-
Change in net position of <i>component units</i>	<u>\$ (50,262)</u>	<u>\$ 38,026</u>

Village of Vicksburg

BUDGETARY COMPARISON SCHEDULE - Downtown Development Authority

Year ended June 30, 2024

	<i>Original budget</i>	<i>Final budget</i>	<i>Actual</i>	<i>Variance with final budget positive (negative)</i>
REVENUES				
Property taxes	\$ 70,000	\$ 92,412	\$ 92,412	\$ -
Interest	850	952	1,143	191
Other	28,000	42,000	42,000	-
Total revenues	<u>98,850</u>	<u>135,364</u>	<u>135,555</u>	<u>191</u>
EXPENDITURES				
Current - community and economic development	94,050	166,300	139,968	26,332
Capital outlay	31,500	31,500	30,616	884
Total expenditures	<u>125,550</u>	<u>197,800</u>	<u>170,584</u>	<u>27,216</u>
NET CHANGE IN FUND BALANCE	(26,700)	(62,436)	(35,029)	27,407
FUND BALANCE - BEGINNING	<u>177,683</u>	<u>177,683</u>	<u>177,683</u>	<u>-</u>
FUND BALANCE - ENDING	\$ <u>150,983</u>	\$ <u>115,247</u>	\$ <u>142,654</u>	\$ <u>27,407</u>

	<i>Original budget</i>	<i>Final budget</i>	<i>Actual</i>	<i>Variance with final budget positive (negative)</i>
REVENUES				
Property taxes	\$ 30,200	\$ 30,206	\$ 30,206	\$ -
Interest	2,000	9,564	12,853	3,289
Total revenues	<u>32,200</u>	<u>39,770</u>	<u>43,059</u>	<u>3,289</u>
EXPENDITURES				
Current - community and economic development	<u>16,650</u>	<u>31,033</u>	<u>5,033</u>	<u>26,000</u>
NET CHANGE IN FUND BALANCE	15,550	8,737	38,026	29,289
FUND BALANCE - BEGINNING	<u>488,273</u>	<u>488,273</u>	<u>488,273</u>	<u>-</u>
FUND BALANCE - ENDING	<u>\$ 503,823</u>	<u>\$ 497,010</u>	<u>\$ 526,299</u>	<u>\$ 29,289</u>

Village of Vicksburg**SCHEDULE OF DEBT RETIREMENT AND ANNUAL INTEREST REQUIREMENTS -
\$3,480,000 2014 CAPITAL AND REFUNDING BONDS****June 30, 2024**

<i>Fiscal period</i>	<i>Principal</i>	<i>Interest</i>	<i>Total requirements</i>
2025	\$ 175,000	\$ 82,706	\$ 257,706
2026	180,000	75,606	255,606
2027	190,000	68,206	258,206
2028	195,000	60,506	255,506
2029	205,000	52,506	257,506
2030	215,000	44,107	259,107
2031	225,000	35,166	260,166
2032	230,000	25,782	255,782
2033	240,000	15,938	255,938
2034	255,000	5,418	260,418
	<u>\$ 2,110,000</u>	<u>\$ 465,941</u>	<u>\$ 2,575,941</u>
Allocation by activity:			
Governmental activities	\$ 380,000	\$ 83,725	\$ 463,725
Business-type activities	<u>1,730,000</u>	<u>382,216</u>	<u>2,112,216</u>
	<u>\$ 2,110,000</u>	<u>\$ 465,941</u>	<u>\$ 2,575,941</u>

Village of Vicksburg

SCHEDULE OF DEBT RETIREMENT AND ANNUAL INTEREST REQUIREMENTS -

\$7,595,000 2020 SEWER USDA BONDS

June 30, 2024

<i>Fiscal period</i>	<i>Principal</i>	<i>Interest</i>	<i>Total requirements</i>
2025	\$ 135,000	\$ 104,926	\$ 239,926
2026	140,000	102,826	242,826
2027	140,000	100,688	240,688
2028	145,000	98,513	243,513
2029	145,000	96,301	241,301
2030	150,000	94,013	244,013
2031	155,000	89,326	244,326
2032	155,000	86,926	241,926
2033	160,000	84,488	244,488
2034	160,000	81,975	241,975
2035	165,000	79,425	244,425
2036	170,000	76,838	246,838
2037	170,000	74,213	244,213
2038	175,000	71,550	246,550
2039	180,000	68,813	248,813
2040	185,000	66,001	251,001
2041	190,000	63,151	253,151
2042	190,000	60,263	250,263
2043	195,000	57,300	252,300
2044	200,000	54,300	254,300
2045	200,000	51,263	251,263
2046	205,000	48,151	253,151
2047	210,000	44,963	254,963
2048	215,000	41,738	256,738
2049	215,000	38,476	253,476
2050	220,000	35,138	255,138
2051	225,000	31,725	256,725
2052	230,000	28,238	258,238
2053	235,000	24,676	259,676
2054	240,000	21,038	261,038
2055	245,000	17,325	262,325
2056	250,000	13,575	263,575
2057	250,000	9,788	259,788
2058	255,000	5,926	260,926
2059	260,000	1,988	261,988
2060	9,175	-	9,175
	\$ 6,769,175	\$ 2,025,844	\$ 8,795,019

Village of Vicksburg**SCHEDULE OF DEBT RETIREMENT AND ANNUAL INTEREST REQUIREMENTS -****\$1,388,000 2020 WATER SERIES A USDA BONDS****June 30, 2024**

<i>Fiscal period</i>	<i>Principal</i>	<i>Interest</i>	<i>Total requirements</i>
2025	\$ 25,000	\$ 19,365	\$ 44,365
2026	25,000	18,990	43,990
2027	26,000	18,600	44,600
2028	26,000	18,210	44,210
2029	27,000	17,805	44,805
2030	27,000	17,400	44,400
2031	28,000	16,980	44,980
2032	28,000	16,560	44,560
2033	29,000	16,125	45,125
2034	29,000	15,690	44,690
2035	30,000	15,240	45,240
2036	31,000	14,775	45,775
2037	31,000	14,310	45,310
2038	31,000	13,845	44,845
2039	32,000	13,365	45,365
2040	33,000	12,870	45,870
2041	33,000	12,375	45,375
2042	34,000	11,865	45,865
2043	35,000	11,340	46,340
2044	35,000	10,815	45,815
2045	36,000	10,275	46,275
2046	37,000	9,720	46,720
2047	37,000	9,165	46,165
2048	38,000	8,595	46,595
2049	39,000	8,010	47,010
2050	39,000	7,425	46,425
2051	40,000	6,825	46,825
2052	41,000	6,210	47,210
2053	42,000	5,580	47,580
2054	43,000	4,935	47,935
2055	44,000	4,275	48,275
2056	45,000	3,600	48,600
2057	46,000	2,910	48,910
2058	47,000	2,205	49,205
2059	48,000	1,485	49,485
2060	49,000	750	49,750
2061	50,000	-	50,000
	<u>\$ 1,316,000</u>	<u>\$ 398,490</u>	<u>\$ 1,714,490</u>

Village of Vicksburg

SCHEDULE OF DEBT RETIREMENT AND ANNUAL INTEREST REQUIREMENTS -

\$841,000 2020 WATER SERIES B USDA BONDS

June 30, 2024

<i>Fiscal period</i>	<i>Principal</i>	<i>Interest</i>	<i>Total requirements</i>
2025	\$ 15,000	\$ 11,925	\$ 26,925
2026	15,000	11,700	26,700
2027	16,000	11,460	27,460
2028	16,000	11,220	27,220
2029	16,000	10,980	26,980
2030	17,000	10,725	27,725
2031	17,000	10,470	27,470
2032	17,000	10,215	27,215
2033	17,000	9,960	26,960
2034	18,000	9,690	27,690
2035	18,000	9,420	27,420
2036	19,000	9,135	28,135
2037	19,000	8,850	27,850
2038	19,000	8,565	27,565
2039	20,000	8,265	28,265
2040	20,000	7,965	27,965
2041	20,000	7,665	27,665
2042	21,000	7,350	28,350
2043	21,000	7,035	28,035
2044	22,000	6,705	28,705
2045	22,000	6,375	28,375
2046	22,000	6,045	28,045
2047	23,000	5,700	28,700
2048	23,000	5,355	28,355
2049	24,000	4,995	28,995
2050	24,000	4,635	28,635
2051	24,000	4,275	28,275
2052	25,000	3,900	28,900
2053	25,000	3,525	28,525
2054	26,000	3,135	29,135
2055	26,000	2,745	28,745
2056	27,000	2,340	29,340
2057	27,000	1,935	28,935
2058	28,000	1,515	29,515
2059	28,000	1,095	29,095
2060	29,000	660	29,660
2061	30,000	210	30,210
2062	14,000	-	14,000
	<hr/>	<hr/>	<hr/>
	\$ 810,000	\$ 247,740	\$ 1,057,740

Village of Vicksburg

SCHEDULE OF DEBT RETIREMENT AND ANNUAL INTEREST REQUIREMENTS -

\$1,402,000 2020 CAPITAL IMPROVEMENT USDA BONDS

June 30, 2024

<i>Fiscal period</i>	<i>Principal</i>	<i>Interest</i>	<i>Total requirements</i>
2025	\$ 25,000	\$ 19,936	\$ 44,936
2026	26,000	19,560	45,560
2027	26,000	19,170	45,170
2028	27,000	18,780	45,780
2029	27,000	18,376	45,376
2030	28,000	17,970	45,970
2031	28,000	17,550	45,550
2032	29,000	17,130	46,130
2033	29,000	16,696	45,696
2034	30,000	16,260	46,260
2035	30,000	15,810	45,810
2036	31,000	15,360	46,360
2037	31,000	14,896	45,896
2038	32,000	14,430	46,430
2039	33,000	13,950	46,950
2040	33,000	13,456	46,456
2041	34,000	12,960	46,960
2042	35,000	12,450	47,450
2043	35,000	11,926	46,926
2044	36,000	11,400	47,400
2045	37,000	10,860	47,860
2046	37,000	10,306	47,306
2047	38,000	9,750	47,750
2048	39,000	9,180	48,180
2049	39,000	8,596	47,596
2050	40,000	8,010	48,010
2051	41,000	7,410	48,410
2052	42,000	6,796	48,796
2053	42,000	6,166	48,166
2054	43,000	5,536	48,536
2055	44,000	4,890	48,890
2056	45,000	4,230	49,230
2057	46,000	3,556	49,556
2058	47,000	2,866	49,866
2059	47,000	2,160	49,160
2060	48,000	1,456	49,456
2061	34,660	736	35,396
	<u>\$ 1,314,660</u>	<u>\$ 420,570</u>	<u>\$ 1,735,230</u>



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INDEPENDENT AUDITOR'S REPORT

To the Village Council of the
Village of Vicksburg, Michigan

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component units and, and each major fund of the Village of Vicksburg, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the Village of Vicksburg'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 units, and each major fund of the Village of Vicksburg, as of June 30, 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 of Vicksburg 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 of Vicksburg'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 of Vicksburg'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 of Vicksburg'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 pension schedules, as identified 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 of Vicksburg's basic financial statements. The accompanying other supplementary information, as identified in the table of contents, is presented for purposes of additional analysis and is 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, other supplementary information, as identified in the table of contents, is 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 December 20, 2024, on our consideration of the Village of Vicksburg'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 of Vicksburg'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 of Vicksburg's internal control over financial reporting and compliance.

Maner Costerian PC

December 20, 2024

**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 of the
Village of Vicksburg, 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 units, and each major fund of the Village of Vicksburg (the Village) as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise Village's basic financial statements and have issued our report thereon dated December 20, 2024.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Village's internal control over financial reporting (internal control) to determine the 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 the Village's internal control. Accordingly, we do not express an opinion on the effectiveness of the 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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the 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 determination of financial statement amounts. 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 no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

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 Village'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 Village's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Maner Costerman PC

December 20, 2024



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December 20, 2024

To the Village Council of the
Village of Vicksburg, Michigan

We have audited the financial statements of the governmental activities, the business-type activities, the discretely presented component units, and each major fund of the Village of Vicksburg, Michigan for the year ended June 30, 2024. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards and *Government Auditing Standards*, 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 December 20, 2024. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Matters

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 of Vicksburg 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 the year ended June 30, 2024. We noted no transactions entered into by the Village of Vicksburg 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 estimates affecting the financial statements were:

Management's calculation of the depreciation expense is based on the estimated useful lives of the capital assets.

Management's estimate of the discount rate used for leases, the lease term, and lease payments is based on Village of Vicksburg's incremental borrowing rate and consideration of the noncancelable period of the lease and reasonably certain lease options.

The calculation of the net pension liability and related deferred inflows and outflows of resources are based on an actuarial study which utilized certain actuarial assumptions.

The allocation of the net pension liability and related deferred inflows and outflows of resources between the governmental activities and the business-type activities, as well as between the various governmental functions and various enterprise funds, is based on contributions made to the plan.

Management's determination of the percentages for current and noncurrent compensated absence payments is based on an estimate of the percentage of employees' use of compensated absences.

We evaluated the key factors and assumptions used to develop these accounting estimates in determining that they are 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. Material misstatements were not detected as a result of audit procedures.

Disagreements with Management

For purposes of this letter, a disagreement with management is 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 December 20, 2024.

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 Village'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 Village'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 the 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 other supplementary information, 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 the Village Council and management of the Village of Vicksburg and is not intended to be, and should not be, used by anyone other than these specified parties.

Very truly yours,

Maner Costerman PC