



**VILLAGE OF VICKSBURG
KALAMAZOO COUNTY, MICHIGAN**

**REPORT ON FINANCIAL STATEMENTS
(with required and other supplementary information)**

YEAR ENDED JUNE 30, 2025

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INDEPENDENT AUDITOR'S REPORT

To the Village Council of the
Village of Vicksburg, Michigan

Report on the Audit of Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component units, and each major fund of the Village of Vicksburg, as of and for the year ended June 30, 2025, 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, 2025, 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.

Change in Accounting Principle

As discussed in Note 11 to the financial statements, the Village adopted new accounting guidance, GASB Statement No. 102, *Certain Risk Disclosures*. Our opinions are not modified with respect to this matter.

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 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 other supplementary information, as listed 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, the other supplementary information 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 15, 2025, 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.

Maney Costeiran PC

December 15, 2025

VILLAGE OF VICKSBURG MANAGEMENT'S DISCUSSION AND ANALYSIS

The following is a discussion and analysis of the Village of Vicksburg's financial performance and position, providing an overview of the activities for the fiscal year ended June 30, 2025. This analysis should be read in conjunction with the *Independent Auditor's Report* and with the Village of Vicksburg's financial statements, which follow this section.

FINANCIAL HIGHLIGHTS

Government-wide

- The Village's total net position increased by \$2,745,733 (16 percent) as a result of this year's activities. The net position of the governmental activities increased by \$1,126,911 and the net position of the business-type activities increased by \$1,618,822.
- Of the \$20,193,008 total net position reported, \$5,178,153 (26 percent) is available to be used at the Council's discretion, without constraints established by debt covenants, enabling legislation, or other legal requirements.

Fund Level

- The General Fund's unassigned fund balance at the end of the fiscal year was \$2,373,366, which represents 103 percent of the actual total General Fund expenditures for the current fiscal year.

OVERVIEW OF THE FINANCIAL STATEMENTS

The annual financial report of the Village of Vicksburg consists of the following components: 1) *Independent Auditor's Report*; 2) *Management's Discussion and Analysis*; and 3) the *Basic Financial Statements* (government-wide financial statements, fund financial statements, notes to the financial statements), *Required Supplementary Information*, such as budget to actual comparisons for the General Fund, and *Other Supplementary Information*, including fund financial statements for discretely presented component units.

Government-wide Financial Statements (Reporting the Village of Vicksburg as a Whole)

The set of government-wide financial statements are made up of the Statement of Net Position and the Statement of Activities, which report information about the Village of Vicksburg as a whole and about its activities. Their purpose is to assist in answering the question, is the Village of Vicksburg, in its entirety, better or worse off as a result of this fiscal year's activities? These statements, which include all non-fiduciary assets and liabilities, are reported on the *accrual basis of accounting*, similar to a private business. This means revenues are accounted for when they are *earned* and expenses are accounted for when *incurred*, regardless of when the actual cash is received or disbursed.

The Statement of Net Position (page 14) presents all of the Village of Vicksburg's assets, deferred outflows of resources, liabilities, and deferred inflows of resources, recording the difference between the four as "net position". Over time, increases or decreases in net position measure whether the Village of Vicksburg's financial position is improving or deteriorating.

The Statement of Activities (page 15) presents information showing how the Village of Vicksburg's net position changed during fiscal year 2025. All changes in net position are reported based on the period for which the underlying events giving rise to the change occurs, regardless of the timing of related cash flows. Therefore, revenue and expenses are reported in these statements for some items that will only result in cash flows in future financial periods, such as uncollected taxes and earned but unused employee annual leave. Both statements report the following activities:

VILLAGE OF VICKSBURG MANAGEMENT'S DISCUSSION AND ANALYSIS

- ***Governmental Activities*** - Most of the Village of Vicksburg's basic services are reported under this category. Taxes, charges for services, and operating grants and contributions primarily fund these services. The Village of Vicksburg's governmental activities such as the Village Council, public works, the Village's share of public safety, and recreation and culture are reported under these activities. This also includes activities such as the Major and Local street maintenance.
- ***Business-type Activities*** - These activities operate like private businesses. The Village of Vicksburg charges fees to recover the cost of the services provided. The Village of Vicksburg Water & Sewer System services are examples of such activities.
- ***Discretely Presented Component Units*** - Discretely Presented Component units are legally separate organizations for which the Village of Vicksburg's Council appoints a majority of the organization's policy board and there is a degree of financial accountability to the Village of Vicksburg. Organizations included as component units are the Downtown Development Authority and the Brownfield Redevelopment Authority.

As stated previously, the government-wide statements report on an *accrual* basis of accounting. However, the governmental funds report on a *modified accrual* basis. Under modified accrual accounting, revenues are recognized when they are measurable and available to pay obligations of the fiscal period; expenditures are recognized when they are due to be paid from available resources.

Because of the different basis of accounting between the fund statements (described below) and the government-wide financial statements, pages 17 and 19 present reconciliations between the two statement types. The following summarizes the impact of transitioning from modified accrual to full accrual accounting:

- Capital assets used in governmental activities (depreciation) are not reported on the fund financial statements of the governmental funds; however, depreciation expense is reported on the government-wide financial statements.
- Capital outlay spending results in capital assets on the government-wide financial statements but is reported as expenditures on the fund financial statements of the governmental funds.
- Long-term liabilities, such as reserves for sick and annual leave (compensated absences), etc. appear as liabilities on the government-wide financial statements; however, they will not appear on the fund financial statements unless current resources are used to pay a specific obligation.
- Bond proceeds are reported as liabilities on the government-wide financial statements but are recorded as other financing sources on the fund financial statements.

Fund Financial Statements (Reporting the Village of Vicksburg Major Funds)

The fund financial statements, which begin on page 16, provide information on the Village of Vicksburg's significant (major) funds. Traditional users of governmental financial statements will find the Fund Financial Statements presentation more familiar.

A fund is a fiscal and accounting entity with a self-balancing set of accounts that the Village of Vicksburg uses to keep track of specific sources of funding and spending for a particular purpose. State law or policy requires some separate funds, such as funds required by bond or grant agreements. Funds are also utilized to track specific operations; these include enterprise funds such as the Sewer, Water, and Golf Course Funds.

VILLAGE OF VICKSBURG MANAGEMENT'S DISCUSSION AND ANALYSIS

The *basic financial statements* report major funds as defined by the Government Accounting Standards Board (GASB) in separate columns. GASB Statement No. 34 defines a "major fund" as the General Fund, and any governmental or enterprise fund which has either total assets, total liabilities, total revenues, or total expenditures/expenses that equal at least 10% of those categories for either the governmental funds or the enterprise funds *and* where the individual fund total also exceeds 5% of those categories for governmental and enterprise funds combined. The major funds for the Village of Vicksburg include the General Fund, Major Street Fund, Local Street Fund, Sewer Fund, Water Fund, and the Golf Course Fund. The Village of Vicksburg includes detailed information on its nonmajor funds in other supplementary sections of this report.

The Village of Vicksburg's funds are divided into two categories - governmental and proprietary, and use different accounting approaches:

- ***Governmental Funds*** - Most of the Village of Vicksburg's basic services are reported in the governmental funds. The focus of these funds is how cash and other financial assets that can be readily converted to cash, flow in and out during the course of the fiscal year and how the balances left at year-end are available for spending on future services. Consequently, the governmental fund financial statements provide a detailed *short-term* view that helps determine whether there are more or fewer financial resources that may be expended in the near future to finance the Village of Vicksburg's programs. The *General Fund* is a Governmental Fund.
- ***Proprietary Funds*** - Services for which the Village of Vicksburg charges customers a fee are generally reported in proprietary funds. Proprietary funds use the same *accrual* basis of accounting used in the government-wide statements and by private business. *Enterprise funds* report activities that provide supplies and/or services to the general public.

Notes to the Financial Statements

The Notes to the Financial Statements provide additional information that is essential to a full understanding of the detail provided in the government-wide and fund financial statements. The Notes can be found beginning on page 24 of this report.

Required Supplementary Information

Following the Basic Financial Statements is additional Required Supplementary Information (RSI), which further explains and supports the information in the financial statements. RSI includes the management's discussion and analysis, budgetary comparison schedules for the General Fund and major Special Revenue funds, and schedules of funding progress and employer contributions for the defined benefit pension plan.

Other Supplementary Information

Other Supplementary Information includes discretely presented component units basic financial statements and reconciliations, discretely presented component units budgetary comparison schedules, and schedules of debt retirement and annual interest requirements.

**VILLAGE OF VICKSBURG
MANAGEMENT'S DISCUSSION AND ANALYSIS**

FINANCIAL ANALYSIS OF THE VILLAGE OF VICKSBURG AS A WHOLE

As previously stated, the Village of Vicksburg's combined net position was \$20,193,008 at the end of this fiscal year. The net position of the governmental activities was \$10,641,556, and the net position of the business-type activities was \$9,551,452.

The Village reports its investment in capital assets (e.g., land, buildings, equipment, etc.), net of related debt. The Village uses these capital assets to provide services to students and residents of the community; consequently, these assets are not available for future spending. Also, a certain amount of net position was restricted for specific purposes such as the maintenance of major streets and local streets.

Net Position as of June 30, 2025 and 2024

	Governmental Activities		Business-type Activities		Total Primary Government	
	2025	2024	2025	2024	2025	2024
ASSETS						
Current and other assets	\$ 4,886,236	\$ 3,822,869	\$ 4,987,792	\$ 4,689,804	\$ 9,874,028	\$ 8,512,673
Capital assets	8,675,769	8,846,927	16,542,257	14,742,988	25,218,026	23,589,915
TOTAL ASSETS	13,562,005	12,669,796	21,530,049	19,432,792	35,092,054	32,102,588
DEFERRED OUTFLOWS OF RESOURCES	102,154	124,558	55,793	91,115	157,947	215,673
LIABILITIES						
Current liabilities	607,937	656,825	1,125,578	765,497	1,733,515	1,422,322
Long-term liabilities	2,413,605	2,607,337	10,908,272	11,074,528	13,321,877	13,681,865
TOTAL LIABILITIES	3,021,542	3,264,162	12,033,850	11,840,025	15,055,392	15,104,187
DEFERRED INFLOWS OF RESOURCES	1,061	15,547	540	-	1,601	15,547
NET POSITION						
Net investment in capital assets	7,053,436	7,156,268	5,731,547	4,153,346	12,784,983	11,309,614
Restricted	1,540,082	1,217,509	689,790	587,581	2,229,872	1,805,090
Unrestricted	2,048,038	1,140,868	3,130,115	3,191,703	5,178,153	4,332,571
TOTAL NET POSITION	\$ 10,641,556	\$ 9,514,645	\$ 9,551,452	\$ 7,932,630	\$ 20,193,008	\$ 17,447,275

**VILLAGE OF VICKSBURG
MANAGEMENT'S DISCUSSION AND ANALYSIS**

The following condensed financial information was derived from the government-wide Statement of Activities and reflects how the Village of Vicksburg's net position changed during the fiscal year:

	Governmental Activities		Business-type Activities		Total	
	2025	2024	2025	2024	2025	2024
REVENUE						
Program Revenue						
Charges for service	\$ 83,326	\$ 114,178	\$ 3,968,848	\$ 3,574,088	\$ 4,052,174	\$ 3,688,266
Operating grants and contributions	946,372	729,655	-	-	946,372	729,655
Capital grants and contributions	-	-	1,200,000	-	1,200,000	-
General Revenue						
Property taxes	2,063,717	1,905,843	-	-	2,063,717	1,905,843
State shared revenue	448,850	449,112	-	-	448,850	449,112
Local community stabilization	80,126	73,888	-	-	80,126	73,888
Cable television franchise fees	-	14,113	-	-	-	14,113
Investment earnings	88,685	50,199	19,786	28,592	108,471	78,791
Gain on sale of assets	131,379	-	-	-	131,379	-
Miscellaneous	33,391	-	4,799	25,541	38,190	25,541
TOTAL REVENUE	3,875,846	3,336,988	5,193,433	3,628,221	9,069,279	6,965,209
PROGRAM EXPENSES						
General government	635,619	345,641	-	-	635,619	345,641
Public safety	961,673	875,600	-	-	961,673	875,600
Public works	979,336	803,103	-	-	979,336	803,103
Community and economic development	8,003	231,901	-	-	8,003	231,901
Parks and recreation	130,339	142,800	-	-	130,339	142,800
Interest on long-term debt	33,965	35,648	-	-	33,965	35,648
Sewer	-	-	1,133,185	1,148,856	1,133,185	1,148,856
Water	-	-	737,479	612,054	737,479	612,054
Golf	-	-	1,703,947	1,483,471	1,703,947	1,483,471
TOTAL PROGRAM EXPENSES	2,748,935	2,434,693	3,574,611	3,244,381	6,323,546	5,679,074
Change in net position	1,126,911	902,295	1,618,822	383,840	2,745,733	1,286,135
Beginning net position	9,514,645	8,612,350	7,932,630	7,548,790	17,447,275	16,161,140
Ending net position	<u>\$ 10,641,556</u>	<u>\$ 9,514,645</u>	<u>\$ 9,551,452</u>	<u>\$ 7,932,630</u>	<u>\$ 20,193,008</u>	<u>\$ 17,447,275</u>

VILLAGE OF VICKSBURG MANAGEMENT'S DISCUSSION AND ANALYSIS

Governmental Activities

The result of fiscal year 2025 governmental activity was an increase of \$1,126,911 in net position to \$10,641,556. Of the total governmental activities' net position, \$7,053,436 is invested in capital assets less related debt and \$1,540,082 is reported as restricted, meaning these assets are legally committed for a specific purpose through statute or by another authority outside the Village of Vicksburg's government. The balance of \$2,048,038 is listed as unrestricted, having no legal commitment.

Revenues

The total governmental revenues increased by 16%, or \$538,858, compared to the prior year. This increase is due to higher property taxable values, contributions, and investment earnings. The three largest revenue categories in governmental activities were property taxes at 53%; intergovernmental at 24%; and state shared revenue at 11%. The Village levies a property tax millage for general government operations at 14.9314 mills, which is not assigned to any specific service or activity.

Expenses

Total governmental expenses increased by approximately 13%, or \$314,242, compared to the prior year. This increase is due to the increased expenses surrounding the home repair grant for Village residents and increased local street projects. Public works is the largest governmental activity, expending \$979,336 of the approximately \$2.7 million total expenses. Public safety and General government are the next largest activities, expending \$961,673 and \$635,615, respectively.

Business-type Activities:

Net position in the business-type activities increased by \$1,618,822 during the fiscal year 2025. Business activities increased because of capital contributions of approximately \$1.2 million regarding the Village's on-going projects to replace lead pipes. Charges for services increased from 2024 by approximately 11% while expenses also increased approximately 10%. This increase is due to the repairs and maintenance for the Village's wastewater plant.

Of the total \$9,551,452 of net position in the business-type activities, \$3,130,115 is reported as unrestricted, \$689,790 is restrict for debt services, and \$5,731,547 is invested in capital assets (net of related debt).

General Fund

The General Fund is the chief operating fund of the Village of Vicksburg. Unless otherwise required by statute, contractual agreement, or Council policy; all Village of Vicksburg revenue and expenditures are recorded in the General Fund. As of June 30, 2025, the General Fund reported a fund balance of \$3,002,384. This amount is an increase of \$1,001,693 from the fund balance of \$2,000,691 reported as of June 30, 2024. Total General Fund revenues increased by 13%, or \$369,060, compared to the prior year. This increase is due to increases in the property taxable values, state shared revenue, and other miscellaneous revenues. Total General Fund expenditures decreased by 46%, or \$1,931,762, compared to the prior year. This decrease is due to the village hall construction for roughly \$2 million was completed in the prior year.

VILLAGE OF VICKSBURG MANAGEMENT'S DISCUSSION AND ANALYSIS

General Fund Budgetary Highlights

The Village of Vicksburg's budget is a dynamic document. Although adopted in June (prior to the start of the fiscal year), the budget is amended during the course of the fiscal year to reflect changing operational demands.

Actual General Fund revenues and other financing sources totaled \$3,295,875, or \$107,833 lower than the final amended budget which was increased from the original budget by \$562,796 to account for miscellaneous revenue sources. The most significant variation was in intergovernmental revenues, which had a variation of \$32,228.

The Village of Vicksburg's actual General Fund expenditures and other financing uses totaled \$2,294,182, or \$549,304 below the final amended budget which was increased from the original budget by \$422,777 to account for capital outlay, and improvements to the village hall, police department, and community park.. The final budget planned for a fund balance increase of \$530,222. All departments were able to underspend their budget so overall expenditures were below the amended budget.

Major Street Fund

As of June 30, 2025, the Major Street Fund reported a fund balance of \$1,008,596, which is an increase of \$272,484 from the prior fiscal year. The increase is due receiving additional state shared revenue, and higher investment earnings.

Local Street Fund

As of June 30, 2025, the Municipal Street Fund reported a fund balance of \$381,486, which is a decrease of \$99,911 from the prior fiscal year. The decrease is due to the increase in resurfacing and construction projects on local streets that took place during the current year.

Sewer Fund

The Sewer Fund had an increase in its net position of \$279,991. Operating revenues showed an increase of \$104,696, while total operating expenses decreased by \$12,803 primarily due there being less of a need for repairs to the sewer plant.

Water Fund

The Water Fund had an increase in its net position of \$1,436,827. Operating revenues showed an increase of \$239,038, while total operating expenses also increased by \$127,647 primarily due to increased repairs and maintenance to the water treatment plant.

Golf Course Fund

The Golf Course Fund had a decrease in its net position of \$97,996. Operating revenues showed an increase of \$51,026, while total operating expenses also increased by \$223,021 primarily due to increase in contracted services for the hiring of additional staff.

**VILLAGE OF VICKSBURG
MANAGEMENT'S DISCUSSION AND ANALYSIS**

CAPITAL ASSETS AND LONG-TERM OBLIGATIONS

Capital Assets

At the end of Fiscal Year 2025, the Village had invested approximately \$25 million in a broad range of capital assets, including land, construction in progress, land improvements, buildings and improvements, furniture and equipment, vehicles, sewer systems, water systems, and golf carts – right to use. More detailed information about the Village's capital assets is presented in Note 3 to the basic financial statements.

	<u>June 30, 2024</u>	<u>Change</u>	<u>June 30, 2025</u>
Governmental Activities			
Land	\$ 1,165,533	\$ -	\$ 1,165,533
Land improvements, net	4,137,944	(43,067)	4,094,877
Buildings and improvements, net	3,202,372	(92,037)	3,110,335
Furniture and equipment, net	137,243	(39,504)	97,739
Vehicles, net	203,835	3,450	207,285
	<u>8,846,927</u>	<u>(171,158)</u>	<u>8,675,769</u>
Business-type Activities			
Land	1,000,000	-	1,000,000
Construction in progress	141,017	2,246,555	2,387,572
Sewer system, net	8,953,012	(282,904)	8,670,108
Water system, net	3,733,706	(105,959)	3,627,747
Golf course, net	915,253	(58,423)	856,830
Golf carts - right to use, net	73,960	(73,960)	-
	<u>14,816,948</u>	<u>1,725,309</u>	<u>16,542,257</u>
Capital assets, net	<u>\$ 23,663,875</u>	<u>\$ 1,554,151</u>	<u>\$ 25,218,026</u>

Long-Term Obligations

At year end, the Village had approximately \$12.5 million in general obligation bonds, bonds payable, and compensated absences outstanding. This represents a increase of roughly \$65,000 from the previous fiscal year. More detailed information about the Village's long-term liabilities is presented in Note 5 to the basic financial statements.

	<u>June 30, 2024</u>	<u>Change</u>	<u>June 30, 2025</u>
Governmental Activities			
General obligation bonds	\$ 1,690,659	\$ (68,326)	\$ 1,622,333
Compensated absences	175,644	(72,505)	103,139
	<u>1,866,303</u>	<u>(140,831)</u>	<u>1,725,472</u>
Business-type Activities			
Bonds payable	10,607,938	206,455	10,814,393
	<u>10,607,938</u>	<u>206,455</u>	<u>10,814,393</u>
Total long-term obligations	<u>\$ 12,474,241</u>	<u>\$ 65,624</u>	<u>\$ 12,539,865</u>

**VILLAGE OF VICKSBURG
MANAGEMENT'S DISCUSSION AND ANALYSIS**

Limitations on Debt

State statute limits the Village of Vicksburg's debt obligations to 10% of the current state equalized value (SEV). The Village of Vicksburg's SEV, as of June 30, 2025, was \$108,214,523 therefore, the Village of Vicksburg's debt limitation was \$10,821,452. The Village of Vicksburg remains well below its legal debt limit.

CURRENTLY KNOWN FACTS, DECISIONS, OR CONDITIONS & EFFECTS

The Village plans to primarily use current revenues to provide essential services in fiscal year 2026, 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 OF VICKSBURG

This financial report is designed to provide our citizens, taxpayers, customers, investors, and creditors with a general overview of the Village of Vicksburg's finances and to demonstrate the Village of Vicksburg's accountability for the money it receives. If there are questions about this report or a need for additional information, contact the Village Manager at (269) 649-1919.

BASIC FINANCIAL STATEMENTS

**VILLAGE OF VICKSBURG
STATEMENT OF NET POSITION
JUNE 30, 2025**

	Primary Government			Component Units	
	Governmental Activities	Business-type Activities	Total	Downtown Development Authority	Brownfield Redevelopment Authority
ASSETS					
Current assets					
Cash and cash equivalents	\$ 4,640,279	\$ 2,660,195	\$ 7,300,474	\$ 162,480	\$ 564,022
Cash - restricted	-	741,018	741,018	-	-
Receivables					
Accounts, net	216,258	1,431,333	1,647,591	-	-
Leases	1,000	-	1,000	-	-
Due from other governmental units	-	26,952	26,952	-	-
Due from component units	10,818	-	10,818	-	-
Inventory	-	110,786	110,786	-	-
Prepaid expenses	17,881	17,508	35,389	-	-
Total current assets	4,886,236	4,987,792	9,874,028	162,480	564,022
Noncurrent assets					
Capital assets not being depreciated/amortized	1,165,533	3,387,572	4,553,105	-	-
Capital assets, net of accumulated depreciation/amortization	7,510,236	13,154,685	20,664,921	71,669	-
Total noncurrent assets	8,675,769	16,542,257	25,218,026	71,669	-
TOTAL ASSETS	13,562,005	21,530,049	35,092,054	234,149	564,022
DEFERRED OUTFLOWS OF RESOURCES					
Deferred outflows of resources related to pension	102,154	52,110	154,264	-	-
Loss on bond refunding, net	-	3,683	3,683	-	-
TOTAL DEFERRED OUTFLOWS OF RESOURCES	102,154	55,793	157,947	-	-
LIABILITIES					
Current liabilities					
Accounts payable	30,231	516,968	547,199	8,946	-
Accrued liabilities	49,187	24,268	73,455	213	-
Accrued interest	10,036	58,955	68,991	-	-
Due to primary government	-	-	-	-	10,818
Unearned revenues	366,024	190,466	556,490	-	-
Current portion of compensated absences	91,459	-	91,459	-	-
Current portion of long-term debt	61,000	334,921	395,921	-	-
Total current liabilities	607,937	1,125,578	1,733,515	9,159	10,818
Noncurrent liabilities					
Noncurrent portion of compensated absences	11,680	-	11,680	-	-
Noncurrent portion of long-term debt	1,561,333	10,479,472	12,040,805	-	-
Net pension liability	840,592	428,800	1,269,392	-	-
Total noncurrent liabilities	2,413,605	10,908,272	13,321,877	-	-
TOTAL LIABILITIES	3,021,542	12,033,850	15,055,392	9,159	10,818
DEFERRED INFLOWS OF RESOURCES					
Deferred inflows of resources related to pension	1,061	540	1,601	-	-
NET POSITION					
Net investment in capital assets	7,053,436	5,731,547	12,784,983	71,669	-
Restricted					
Public works	1,390,082	-	1,390,082	-	-
Debt service	-	689,790	689,790	-	-
Budget stabilization	150,000	-	150,000	-	-
Unrestricted	2,048,038	3,130,115	5,178,153	153,321	553,204
TOTAL NET POSITION	<u>\$ 10,641,556</u>	<u>\$ 9,551,452</u>	<u>\$ 20,193,008</u>	<u>\$ 224,990</u>	<u>\$ 553,204</u>

See accompanying notes to financial statements.

VILLAGE OF VICKSBURG
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2025

Functions/Programs	Program Revenues			Net (Expense) Revenue and Changes in Net Position				
	Expenses	Charges for Services	Operating Grants and Contributions	Primary Government		Component Units		
				Governmental Activities	Business-type Activities	Total	Downtown Development Authority	Brownfield Redevelopment Authority
Primary Government								
Governmental activities								
General government	\$ 635,619	\$ 35,245	\$ 114,300	\$ (486,074)	\$ -	\$ (486,074)	\$ -	\$ -
Public safety	961,673	48,081	11,648	(901,944)	-	(901,944)	-	-
Public works	979,336	-	573,958	(405,378)	-	(405,378)	-	-
Community and economic development	8,003	-	229,491	221,488	-	221,488	-	-
Recreation and culture	130,339	-	16,975	(113,364)	-	(113,364)	-	-
Interest on long-term debt	33,965	-	-	(33,965)	-	(33,965)	-	-
Total governmental activities	2,748,935	83,326	946,372	(1,719,237)	-	(1,719,237)	-	-
Business-type activities								
Sewer	1,133,185	1,399,267	-	-	266,082	266,082	-	-
Water	737,479	971,223	-	-	1,433,744	1,433,744	-	-
Golf course	1,703,947	1,598,358	-	-	(105,589)	(105,589)	-	-
Total business-type activities	3,574,611	3,968,848	-	-	1,594,237	1,594,237	-	-
Total primary government	\$ 6,323,546	\$ 4,052,174	\$ 946,372	\$ (1,719,237)	\$ 1,594,237	\$ (125,000)	\$ -	\$ -
Component units								
Downtown development authority	\$ 170,777	\$ -	\$ 58,650	\$ -	\$ -	\$ -	(112,127)	\$ -
Brownfield redevelopment authority	17,701	-	-	-	-	-	-	(17,701)
Total component units	\$ 188,478	\$ -	\$ 58,650	\$ -	\$ -	\$ -	(112,127)	(17,701)
General revenues								
Property taxes				2,063,717	-	2,063,717	106,913	30,832
State shared revenue				448,850	-	448,850	-	-
Local community stabilization				80,126	-	80,126	-	-
Investment earnings				88,685	19,786	108,471	648	13,774
Gain on sale of assets				131,379	-	131,379	-	-
Miscellaneous				33,391	4,799	38,190	-	-
Total general revenues				2,846,148	24,585	2,870,733	107,561	44,606
Changes in net position				1,126,911	1,618,822	2,745,733	(4,566)	26,905
Net position, beginning of year				9,514,645	7,932,630	17,447,275	229,556	526,299
Net position, end of year				\$ 10,641,556	\$ 9,551,452	\$ 20,193,008	\$ 224,990	\$ 553,204

See accompanying notes to financial statements.

**VILLAGE OF VICKSBURG
GOVERNMENTAL FUNDS
BALANCE SHEET
JUNE 30, 2025**

		Special Revenue		
	General	Major Street	Local Street	Total
ASSETS				
Cash and cash equivalents	\$ 3,337,071	\$ 945,616	\$ 357,592	\$ 4,640,279
Receivables				
Accounts	127,652	63,830	24,776	216,258
Leases	1,000	-	-	1,000
Due from component units	10,818	-	-	10,818
Prepaid expenditures	17,881	-	-	17,881
TOTAL ASSETS	<u>\$ 3,494,422</u>	<u>\$ 1,009,446</u>	<u>\$ 382,368</u>	<u>\$ 4,886,236</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
LIABILITIES				
Accounts payable	\$ 30,059	\$ 172	\$ -	\$ 30,231
Accrued liabilities	47,627	678	882	49,187
Unearned revenue	366,024	-	-	366,024
TOTAL LIABILITIES	<u>443,710</u>	<u>850</u>	<u>882</u>	<u>445,442</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue	48,328	-	-	48,328
FUND BALANCES				
Nonspendable				
Prepays	17,881	-	-	17,881
Restricted				
Public works	-	1,008,596	381,486	1,390,082
General government stabilization	150,000	-	-	150,000
Assigned				
Capital acquisitions	401,137	-	-	401,137
Pension reserve	60,000	-	-	60,000
Unassigned	2,373,366	-	-	2,373,366
TOTAL FUND BALANCES	<u>3,002,384</u>	<u>1,008,596</u>	<u>381,486</u>	<u>4,392,466</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	<u>\$ 3,494,422</u>	<u>\$ 1,009,446</u>	<u>\$ 382,368</u>	<u>\$ 4,886,236</u>

See accompanying notes to financial statements.

**VILLAGE OF VICKSBURG
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
JUNE 30, 2025**

Total fund balances - governmental funds **\$ 4,392,466**

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

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

The cost of capital assets is	\$ 15,165,978	
Accumulated depreciation/amortization is	<u>(6,490,209)</u>	

Capital assets, net		8,675,769
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Long-term receivables are not available to pay for current period expenditures and are therefore deferred inflows of resources in the funds.		48,328
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Governmental funds report actual pension expenditures for the fiscal year, whereas the governmental activities will recognize the net pension liability as of the measurement date. Pension contributions subsequent to the measurement date will be deferred in the statement of net position. In addition, resources related to changes of assumptions, differences between expected and actual experience, and differences between projected and actual pension plan investment earnings will be deferred over time in the government-wide financial statements. These amounts consist of:

Deferred outflows of resources related to pension	102,154	
Deferred inflows of resources related to pension	<u>(1,061)</u>	

101,093

Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds balance sheet. Long-term liabilities at year-end consist of:

Accrued interest payable	(10,036)	
Compensated absences	(103,139)	
Long-term debt	(1,622,333)	
Net pension liability	<u>(840,592)</u>	

(2,576,100)

Net position of governmental activities		<u>\$ 10,641,556</u>
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**VILLAGE OF VICKSBURG
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
YEAR ENDED JUNE 30, 2025**

	Special Revenue			
	General	Major Street	Local Street	Total
REVENUES				
Property taxes	\$ 2,063,717	\$ -	\$ -	\$ 2,063,717
Licenses and permits	16,760	-	-	16,760
Intergovernmental	927,615	400,443	173,515	1,501,573
Fines and forfeitures	4,581	-	-	4,581
Investment earnings	88,672	4,201	1,812	94,685
Miscellaneous	63,151	-	-	63,151
TOTAL REVENUES	3,164,496	404,644	175,327	3,744,467
EXPENDITURES				
Current				
General government	335,419	-	-	335,419
Public safety	880,496	-	-	880,496
Public works	469,261	55,992	48,550	573,803
Community and economic development	53,171	-	-	53,171
Recreation and culture	87,963	-	-	87,963
Debt service	44,925	58,534	-	103,459
Capital outlay	422,947	17,634	226,688	667,269
TOTAL EXPENDITURES	2,294,182	132,160	275,238	2,701,580
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	870,314	272,484	(99,911)	1,042,887
OTHER FINANCING SOURCES				
Sale of capital assets	131,379	-	-	131,379
NET CHANGE IN FUND BALANCES	1,001,693	272,484	(99,911)	1,174,266
Fund balances, beginning of year	2,000,691	736,112	481,397	3,218,200
Fund balances, end of year	<u>\$ 3,002,384</u>	<u>\$ 1,008,596</u>	<u>\$ 381,486</u>	<u>\$ 4,392,466</u>

See accompanying notes to financial statements.

VILLAGE OF VICKSBURG
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES OF THE GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2025

Net change in fund balances - total governmental funds **\$ 1,174,266**

Amounts reported for governmental activities in the statement of activities are different because:

Capital outlays are reported as expenditures in governmental funds. However, in the statement of activities, the cost of capital assets is allocated over the estimated useful lives as depreciation/amortization expense. In the current period, these amounts are:

Capital outlay	\$ 326,414	
Depreciation expense	(497,572)	
Excess of depreciation expense over capital outlay		(171,158)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. The change in long-term receivables reported in the funds is: (15,482)

Certain transactions related to long-term debt are reported as expenditures or other financing sources/uses in governmental funds, but the borrowings increase long-term liabilities in the statement of net position. In the current year, these amounts consist of:

Decrease in discounts on bonds	(682)	
Principal retirement	69,008	
Excess of principal retirement over direct borrowings		68,326

Some items reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds. These activities consist of:

Decrease in accrued interest payable	486	
Decrease in compensated absences	72,505	
Decrease in net pension liability	5,886	
(Decrease) in deferred outflows of resources related to pension	(22,404)	
Decrease in deferred inflows of resources related to pension	14,486	
		70,959

Change in net position of governmental activities **\$ 1,126,911**

**VILLAGE OF VICKSBURG
PROPRIETARY FUNDS
STATEMENT OF NET POSITION
JUNE 30, 2025**

	Business-Type Activities			
	Sewer	Water	Golf Course	Total
ASSETS				
Current assets				
Cash and cash equivalents	\$ 2,153,367	\$ 99,402	\$ 407,426	\$ 2,660,195
Cash - restricted	485,084	255,934	-	741,018
Accounts receivable, net	355,205	1,066,293	9,835	1,431,333
Due from other governments	-	26,952	-	26,952
Inventory	-	-	110,786	110,786
Prepaid expenses	1,635	1,180	14,693	17,508
Total current assets	2,995,291	1,449,761	542,740	4,987,792
Noncurrent assets				
Capital assets not being depreciated/amortized	366,571	2,021,001	1,000,000	3,387,572
Capital assets, net of accumulated depreciation/amortized	8,670,110	3,627,745	856,830	13,154,685
Total noncurrent assets	9,036,681	5,648,746	1,856,830	16,542,257
TOTAL ASSETS	12,031,972	7,098,507	2,399,570	21,530,049
DEFERRED OUTFLOWS OF RESOURCES				
Deferred outflows of resources related to pension	23,741	23,741	4,628	52,110
Loss on bond refunding, net	-	3,683	-	3,683
TOTAL DEFERRED OUTFLOWS OF RESOURCES	23,741	27,424	4,628	55,793
LIABILITIES				
Current liabilities				
Accounts payable	82,993	415,552	18,423	516,968
Accrued liabilities	9,772	9,772	4,724	24,268
Unearned revenue	-	-	190,466	190,466
Accrued interest	36,646	14,582	7,727	58,955
Current portion of long-term debt	180,000	84,921	70,000	334,921
Total current liabilities	309,411	524,827	291,340	1,125,578
Noncurrent liabilities				
Noncurrent portion of long-term debt	6,855,330	2,946,333	677,809	10,479,472
Net pension liability	195,359	195,359	38,082	428,800
Total noncurrent liabilities	7,050,689	3,141,692	715,891	10,908,272
TOTAL LIABILITIES	7,360,100	3,666,519	1,007,231	12,033,850
DEFERRED INFLOWS OF RESOURCES				
Deferred inflows of resources related to pension	246	246	48	540
NET POSITION				
Net investment in capital assets	2,001,351	2,621,175	1,109,021	5,731,547
Restricted	448,438	241,352	-	689,790
Unrestricted	2,245,578	596,639	287,898	3,130,115
TOTAL NET POSITION	\$ 4,695,367	\$ 3,459,166	\$ 1,396,919	\$ 9,551,452

See accompanying notes to financial statements.

**VILLAGE OF VICKSBURG
PROPRIETARY FUNDS
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
YEAR ENDED JUNE 30, 2025**

	Business-Type Activities			
	Sewer	Water	Golf Course	Total
OPERATING REVENUES				
Charges for services	\$ 1,398,838	\$ 971,060	\$ 1,564,039	\$ 3,933,937
Miscellaneous	429	163	34,319	34,911
TOTAL OPERATING REVENUES	1,399,267	971,223	1,598,358	3,968,848
OPERATING EXPENSES				
Administration	255,146	254,245	658,262	1,167,653
Professional services	9,737	3,900	147,330	160,967
Repairs and maintenance	53,917	166,295	150,522	370,734
Equipment rental	-	-	46,095	46,095
Other	45,104	58,043	100,545	203,692
Treatment	346,414	-	-	346,414
Supplies	22,044	62,476	357,621	442,141
Amortization	940	1,727	75,438	78,105
Depreciation	282,904	141,815	136,517	561,236
TOTAL OPERATING EXPENSES	1,016,206	688,501	1,672,330	3,377,037
OPERATING INCOME (LOSS)	383,061	282,722	(73,972)	591,811
NONOPERATING REVENUES (EXPENSES)				
Investment earnings	13,909	3,083	2,794	19,786
Interest expense	(116,979)	(48,978)	(31,617)	(197,574)
Gain on sale of capital assets	-	-	4,799	4,799
TOTAL NONOPERATING REVENUES (EXPENSES)	(103,070)	(45,895)	(24,024)	(172,989)
INCOME BEFORE CAPITAL CONTRIBUTIONS	279,991	236,827	(97,996)	418,822
Capital contributions	-	1,200,000	-	1,200,000
CHANGE IN NET POSITION	279,991	1,436,827	(97,996)	1,618,822
Net position, beginning of year	4,415,376	2,022,339	1,494,915	7,932,630
Net position, end of year	<u>\$ 4,695,367</u>	<u>\$ 3,459,166</u>	<u>\$ 1,396,919</u>	<u>\$ 9,551,452</u>

See accompanying notes to financial statements

**VILLAGE OF VICKSBURG
PROPRIETARY FUNDS
STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30, 2025**

	Business-Type Activities			
	Sewer	Water	Golf Course	Total
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash receipts from customers and users	\$ 1,378,445	\$ 933,308	\$ 1,598,412	\$ 3,910,165
Cash paid to/for employees	(256,147)	(255,246)	(655,719)	(1,167,112)
Cash paid to suppliers/vendors	(475,471)	95,871	(889,493)	(1,269,093)
NET CASH PROVIDED BY OPERATING ACTIVITIES	646,827	773,933	53,200	1,473,960
CASH FLOW FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Capital grants and contributions	-	324,897	-	324,897
Loan proceeds	-	523,345	-	523,345
Proceeds from sale of assets	-	-	22,000	22,000
Capital asset acquisitions	(225,554)	(2,056,857)	(95,295)	(2,377,706)
Principal paid on long-term debt	(170,000)	(80,000)	(70,000)	(320,000)
Principal paid on lease payable	-	-	(60,083)	(60,083)
Interest and fees paid on long-term debt	(117,856)	(49,945)	(32,305)	(200,106)
NET CASH USED BY CAPITAL AND RELATED FINANCING ACTIVITIES	(513,410)	(1,338,560)	(235,683)	(2,087,653)
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest income	13,909	3,083	2,794	19,786
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	147,326	(561,544)	(179,689)	(593,907)
Cash and cash equivalents, beginning of year	2,491,125	916,880	587,115	3,995,120
Cash and cash equivalents, end of year	<u>\$ 2,638,451</u>	<u>\$ 355,336</u>	<u>\$ 407,426</u>	<u>\$ 3,401,213</u>
Classification on the Statement of Net Position				
Cash and cash equivalents	\$ 2,153,367	\$ 99,402	\$ 407,426	\$ 2,660,195
Cash - restricted	485,084	255,934	-	741,018
	<u>\$ 2,638,451</u>	<u>\$ 355,336</u>	<u>\$ 407,426</u>	<u>\$ 3,401,213</u>

See accompanying notes to financial statements.

**VILLAGE OF VICKSBURG
PROPRIETARY FUNDS
STATEMENT OF CASH FLOWS (CONTINUED)
YEAR ENDED JUNE 30, 2025**

	Business-Type Activities			Total
	Sewer	Water	Golf Course	
Reconciliation of operating income (loss) to net cash provided by operating activities				
Operating income (loss)	\$ 383,061	\$ 282,722	\$ (73,972)	\$ 591,811
Adjustments to reconcile operating income (loss) to net cash provided by operating activities				
Depreciation/amortization expense	283,844	143,542	211,955	639,341
(Increase) decrease in:				
Accounts receivable	(20,822)	(10,963)	54	(31,731)
Due from other governments	-	(26,952)	-	(26,952)
Inventory	-	-	(31,788)	(31,788)
Prepays	231	(513)	-	(282)
Deferred outflows of resources	5,818	5,818	1,053	12,689
Increase (decrease) in:				
Accounts payable	1,514	387,098	(34,608)	354,004
Accrued liabilities	2,139	2,139	2,674	6,952
Unearned revenue	-	-	(20,984)	(20,984)
Net pension liability	(5,515)	(5,515)	(523)	(11,553)
Deferred inflows of resources	(3,443)	(3,443)	(661)	(7,547)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	\$ 646,827	\$ 773,933	\$ 53,200	\$ 1,473,960

See accompanying notes to financial statements.

VILLAGE OF VICKSBURG NOTES TO FINANCIAL STATEMENTS

NOTE 1 - DESCRIPTION OF VILLAGE AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Located in Kalamazoo County, Michigan, Vicksburg (the Village) is incorporated as a general law village in which citizens elect the council members. The Village is not included in any other governmental "reporting entity", as defined by the Governmental Accounting Standards Board (GASB), since Council members are elected by the public and have decision making authority, the authority to levy taxes, the power to designate management, the ability to significantly influence operations and primary accountability for fiscal matters. The provides the following services, as authorized under the General Law Village Act, to approximately 3,706 residents: public safety (police), public improvements (streets, sidewalks, sewers, and water system), planning and zoning, recreation, and general administrative services.

The financial statements of the have been prepared in accordance with accounting principles generally accepted in the United States of America (GAAP) as applicable to village governments. The GASB is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The Village's more significant accounting policies are described below.

Reporting Entity

As required by accounting principles generally accepted in the United States of America, these financial statements present the financial activities of the Village of Vicksburg (primary government) and its component units, entities for which the government is considered to be financially accountable. The discretely presented component units are reported in separate columns in the financial statements to emphasize that they are legally separate from the Village. All component units are included in the Village's audited financial statements and are not audited separately.

The inclusion of the activities of various agencies is based on the manifestation of oversight criteria, relying on such guidelines as the selection of the governing authority, the designation of management, the ability to exert significant influence on operations, and the accountability for fiscal matters. The accountability for fiscal matters considers the possession of the budgetary authority, the responsibility for surplus or deficit, the controlling of fiscal management, and the revenue characteristics, whether a levy or a charge. Consideration is also given to the scope of public service. The scope of public service considers whether the activity is for the benefit of the reporting entity and/or its residents and is within the geographic boundaries of the reporting entity and generally available to its citizens.

Based upon the application of these criteria, the financial statements of the Village of Vicksburg contain all the funds controlled by the Village Council.

Blended Component Unit

A blended component unit is a legally separate entity from the Village but is so intertwined with the Village that it is, in substance, the same as the Village. It is reported as part of the Village and its financial data is combined with data of the appropriate funds. The Village has one blended component unit, the Building Authority. This component unit provides services primarily to benefit the Village. The blended unit is described as follows:

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.

**VILLAGE OF VICKSBURG
NOTES TO FINANCIAL STATEMENTS**

NOTE 1 - DESCRIPTION OF VILLAGE AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Discretely Presented Component Units

These component units are reported in separate columns to emphasize that, while legally separate, the Village of Vicksburg remains financially accountable for these entities or the nature and significance of the relationship between these entities and the Village of Vicksburg is such that exclusion of these entities would render the financial statements misleading. The financial statements contain the following discretely presented component units:

Downtown Development Authority (DDA) - 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.

Brownfield Redevelopment Authority - 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.

Joint Ventures

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. 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.

**VILLAGE OF VICKSBURG
NOTES TO FINANCIAL STATEMENTS**

NOTE 1 - DESCRIPTION OF VILLAGE AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Joint Ventures (continued)

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, Pavillion 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 representatives 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 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 joint ventures. Accordingly, no equity interest 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.

Basis of Presentation

GOVERNMENT-WIDE FINANCIAL STATEMENTS

The statement of net position and the statement of activities (the government-wide financial statements) present information for the primary government and its component units as a whole. All activities of the primary government are included. For the most part, interfund activity has been eliminated in the preparation of these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of activities presents the direct functional expenses of the primary government and its component units and the program revenues that support them. Direct expenses are specifically associated with a service, program, or department and are therefore clearly identifiable to a particular function. Program revenues are associated with specific functions and include charges to recipients of goods or services and grants and contributions that are restricted to meeting the operational or capital requirements of that function. Revenues that are not required to be presented as program revenues are general revenues. This includes all taxes, interest, and unrestricted State revenue sharing payments and other general revenues and shows how governmental functions are either self-financing or supported by general revenues.

**VILLAGE OF VICKSBURG
NOTES TO FINANCIAL STATEMENTS**

NOTE 1 - DESCRIPTION OF VILLAGE AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Basis of Presentation (continued)

FUND FINANCIAL STATEMENTS

The fund financial statements present the Village's individual major funds. Separate financial statements are provided for governmental funds and proprietary funds. Major individual governmental funds and the major individual enterprise fund are reported as separate columns in the fund financial statements.

The Village reports the following *Major Governmental Funds*:

- a. The *General Fund* is the Village's primary operating fund. It accounts for all financial resources of the general government except for those that are required to be accounted for in another fund.
- b. The *Major Street Fund* is used to account for restricted Act 51 resources that are used for repairs and maintenance of the Village's major streets.
- c. The *Local Street Fund* is used to account for the restricted Act 51 resources that are used for repairs and maintenance of the Village's local streets.

The reports the following *Major Enterprise Funds*:

- a. The *Sewer Fund* is used to account for the operations and maintenance required to provide sewer services to the general public, the costs (expenses, including depreciation) are financed or recovered primarily through user charges.
- b. The *Water Fund* is used to account for the operations and maintenance required to provide water services to the general public, the costs (expenses, including depreciation) are financed or recovered primarily through user charges.
- c. The *Golf Course Fund* is used to account for the operation and maintenance of the Angels Crossing Golf Course, and is financed or recovered primarily through user charges.

Measurement Focus

The government-wide and proprietary fund financial statements are presented using the economic resources measurement focus, similar to that used by business enterprises or not-for-profit organizations. Because another measurement focus is used in the governmental fund financial statements, reconciliations to the government-wide financial statements are provided that explain the differences in detail.

All governmental funds are presented using the current financial resources measurement focus. With this measurement focus, only current assets, current liabilities, and deferred inflows of resources generally are included on the balance sheet. Operating statements of these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in fund balance.

**VILLAGE OF VICKSBURG
NOTES TO FINANCIAL STATEMENTS**

NOTE 1 - DESCRIPTION OF VILLAGE AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Basis of Accounting

Basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurement made, regardless of the measurement focus applied.

All governmental funds are accounted for using the modified accrual basis of accounting. Under this method, revenues are recognized when they become susceptible to accrual (when they become both "measurable" and "available to finance expenditures of the current period"). The length of time used for "available" for purposes of revenue recognition in the governmental fund financial statements is 60 days. Revenues that are considered measurable but not available are recorded as a receivable and unavailable revenue. Significant revenues susceptible to accrual are special assessments and certain intergovernmental revenues. Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred, except for interest on long-term debt which is recorded when due.

All proprietary (i.e., enterprise) funds are accounted for using the accrual basis of accounting. Their revenues are recognized when they are earned, and their expenses are recognized when they are incurred.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Enterprise Funds are charges to customers for sales and services. Operating expenses for enterprise funds include the costs of sales and services, administrative expenses, and other costs of running the activity. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Budgets and Budgetary Accounting

Budgets are adopted on a basis consistent with the modified accrual basis used to reflect actual results in the fund financial statements. This basis is consistent with accounting principles generally accepted in the United States of America. Annual appropriated budgets are adopted for all required governmental fund types. The village employs the following procedures in establishing the budgetary data reflected in the financial statements.

- a. The Manager is required to submit to the Council a proposed operating budget for the commencing fiscal year prior to its start each year. The operating budget includes proposed expenditures and the means of financing them. Budgets are prepared on a basis consistent with the accounting basis utilized by the fund.
- b. Public hearings are conducted to obtain taxpayer comments.

**VILLAGE OF VICKSBURG
NOTES TO FINANCIAL STATEMENTS**

NOTE 1 - DESCRIPTION OF VILLAGE AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Budgets and Budgetary Accounting (continued)

- c. Prior to July 1, the budget is legally enacted through passage of a resolution.
- d. The budget is legally adopted at the activity level for all funds, however, they are maintained at the account level for control purposes. Violations, if any, in the General Fund and major special revenue funds are noted in the required supplementary information section.
- e. The Village does not employ encumbrance accounting as an extension of formal budgetary integration in the governmental funds. Appropriations unused at June 30 are not carried forward to the following fiscal year.
- f. Budgeted amounts are reported as originally adopted or amended by the Council during the year.

Cash and Cash Equivalents

Cash and cash equivalents consists of checking and liquidity investment accounts. The cash equivalents are recorded at cost, which approximates fair value.

In accordance with Michigan Compiled Laws, the Village is authorized to invest in the following investment vehicles:

- a. Bonds, securities, and other obligations of the United States or an agency or instrumentality of the United States.
- b. Certificates of deposit, savings accounts, deposit accounts, or depository receipts of a bank which is a member of the Federal Deposit Insurance Corporation (FDIC) or a savings and loan association which is a member of the Federal Savings and Loan Insurance Corporation (FSLIC) or a credit union which is insured by the National Credit Union Administration (NCUA), but only if the bank, savings and loan association, or credit union is eligible to be a depository of surplus funds belonging to the State under section 5 or 6 of Act No. 105 of the Public Acts of 1855, as amended, being section 21.145 and 21.146 of the Michigan Compiled Laws.
- c. Commercial paper rated at the time of purchase within the three (3) highest classifications established by not less than two (2) standard rating services and which matures not more than 270 days after the date of purchase.
- d. The United States government or federal agency obligations repurchase agreements.
- e. Bankers acceptances of United States banks.
- f. Mutual funds composed of investment vehicles which are legal for direct investment by local units of government in Michigan.
- g. Section 5 or 6 of Act No. 105 of the Public Acts of 1855, as amended, being Section 21.145 and 21.146 of the Michigan Compiled Laws.

**VILLAGE OF VICKSBURG
NOTES TO FINANCIAL STATEMENTS**

NOTE 1 - DESCRIPTION OF VILLAGE AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Restricted Cash and

Certain revenues and resources in the proprietary fund types are classified as restricted on the balance sheet because their use is limited. The restricted cash of the Village reported in the business-type activities represent accumulated funds required for the applicable bond covenants are held in separate account.

Due from Other Governmental Units

Due from other governmental units consists of amounts due from the State of Michigan or other governments for various payments and grants.

Receivables

Receivables consist of amounts due related from individuals and businesses related to charges for services, and other amounts owed to the Village at year-end.

Property Tax

The Village of Vicksburg bills and collects its own property taxes. The Village's property tax revenue recognition policy and related tax calendar disclosures are highlighted in the following paragraph.

Property taxes are levied by the Village of Vicksburg on July 1 and are payable without penalty through September 15. The July 1 levy is composed of the village's millage, voted millage and special assessments. All real property taxes not paid to the Village by February 14 are turned over to the Kalamazoo County Treasurer for collection. The Kalamazoo County Treasurer purchases the receivables of all taxing districts on any delinquent real property taxes. Delinquent personal property taxes are retained by the for subsequent collection. Village property tax revenues are recognized as revenues in the fiscal year levied.

The Village is permitted to levy taxes up to 14.9314 mills (\$14.9314 per \$1,000 of taxable valuation) for general governmental services. For the year ended June 30, 2025, the Village levied 14.9314 mills per \$1,000 of assessed valuation for general governmental services. The total taxable value for the 2024 levy for property within the was \$138,153,116.

Tax Abatements

The Village's tax revenues have been reduced by tax abatements. Management has determined these amounts to be immaterial to the financial statements.

Inventory

Inventory in the Golf Course Fund consists of pro-shop supplies which are stated at the lower of cost or market on the first in - first out basis.

**VILLAGE OF VICKSBURG
NOTES TO FINANCIAL STATEMENTS**

NOTE 1 - DESCRIPTION OF VILLAGE AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Prepays

Prepaid expenditures, which are expected to be written off within the next fiscal year, are included in net current assets. Reported prepaid expenditures are equally offset by nonspendable fund balance which indicates they do not constitute "available spendable resources" even though they are a component of net current assets.

Capital Assets

Capital assets are recorded (net of accumulated depreciation/amortization, if applicable) in the government-wide financial statements under the governmental activities, business-type activities, and component units' columns. Capital assets are those with an initial individual cost of \$5,000 or more and an estimated useful life of more than one year. Capital assets are not recorded in the governmental funds. Instead, capital acquisition and construction are reflected as expenditures in governmental funds, and the related assets are reported in the government-wide financial statements. All purchased capital assets are valued at cost where historical records are available and at an estimated historical cost where no historical records exist. Donated capital assets are valued at their estimated acquisition cost on the date received.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Land and construction in progress, if any, are not depreciated. Right to use assets of the Village are amortized using the straight-line method over the shorter of the lease period or the estimated useful lives. Depreciation is computed using the straight-line method over the following useful lives:

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

Deferred Outflows/Inflows of Resources

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

The Village reports deferred outflows and deferred inflows of resources which correspond to the Village's net pension liability and are related to differences between projected and actual plan investment earnings and contributions made subsequent to the measurement date. These amounts are deferred and recognized as an outflow or inflow of resources in the period to which they apply.

The Village also reported deferred outflows of resources related to deferred charges on refunding, resulting from the difference in the carrying value of refunded debt and its reacquisition price, which is deferred and amortized over the shorter of the life of the refunded or refunding debt.

VILLAGE OF VICKSBURG
NOTES TO FINANCIAL STATEMENTS

NOTE 1 - DESCRIPTION OF VILLAGE AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Deferred Outflows/Inflows of Resources (continued)

The Village also reports deferred inflows of resources which only arise under the modified accrual basis of accounting. The Village reports unavailable revenue in the governmental funds balance sheet. The governmental funds report unavailable revenues from revenues collected subsequent to 60 days after year end. These amounts are deferred and recognized as an inflow of resources in the period that amounts become available.

Unearned Revenues

The Village reports unearned revenue in connection with resources that have been received, but not yet earned.

Net Pension Liability

The Village offers a defined benefit pension plan to its employees. The Village records a net pension liability for the difference between the total pension liability calculated by the actuary and the pension plan's fiduciary net position. For the purpose of measuring the net pension liability, deferred outflows of resources and deferred inflows 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.

Long-Term Obligations

Long-term debt and other long-term obligations are recognized as a liability in the government-wide financial statements and proprietary fund types when incurred. The portion of those liabilities expected to be paid within the next year is a current liability with the remaining amounts shown as long-term. Bond discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond discount.

Long-term debt is recognized as a liability of a governmental fund when due or when resources have been accumulated for payment early in the following year. For other long-term obligations, only that portion expected to be financed from expendable available financial resources is reported as a fund liability of a governmental fund.

Compensated Absences

The Village recognizes a liability for compensated absences for leave time that (1) has been earned for services previously rendered by employees, (2) accumulates and is allowed to be carried over to subsequent years, and (3) is more likely than not to be used as time off or settled during or upon separation from employment. The liability for compensated absences is reported as incurred in the government-wide financial statements. The liability for compensated absences includes salary and related benefits, where applicable.

**VILLAGE OF VICKSBURG
NOTES TO FINANCIAL STATEMENTS**

NOTE 1 - DESCRIPTION OF VILLAGE AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Leases

The Village is a lessee for noncancelable leases of equipment. The Village recognizes a lease liability and an intangible right-to-use the lease asset in the government-wide financial statements. The Village recognizes lease liabilities that are considered material and have an initial, individual value that the Village would recognize as a capital asset.

At the commencement of a lease, the Village initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over its useful life.

Key estimates and judgements related to leases include how the Village determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments.

- a. The Village uses the interest charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the Village generally uses its estimated incremental borrowing rate as the discount rate for leases.
- b. The lease term includes the noncancelable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments and purchase option price that the Village is reasonably certain to exercise.

The Village monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability.

Lease assets are reported with other capital assets and lease liabilities are reported with long-term obligations on the statement of net position.

Restricted Net Position

Restrictions of net position shown in the government-wide financial statements indicate restrictions imposed by the funding source or some other outside source, which precludes their use for unrestricted purposes.

If/when both restricted and unrestricted resources are available for use, it is the Village's policy to use restricted resources first, then unrestricted resources as they are needed.

Fund Balance Classifications

Fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds. The following are the five classifications of fund balance:

**VILLAGE OF VICKSBURG
NOTES TO FINANCIAL STATEMENTS**

NOTE 1 - DESCRIPTION OF VILLAGE AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Fund Balance Classifications (continued)

Nonspendable - assets that are not available in a spendable form such as inventory, prepaid expenditures, and long-term receivables not expected to be converted to cash in the near term. It also includes funds that are legally or contractually required to be maintained intact such as the corpus of a permanent fund or foundation.

Restricted - amounts that are required by external parties to be used for a specific purpose. Constraints are externally imposed by creditors, grantors, contributors or laws, regulations or enabling legislation.

Committed - amounts constrained on use imposed by formal action of the government's highest level of decision-making authority (i.e., Board, Council, etc.).

Assigned - amounts intended to be used for specific purposes. This is determined by the governing body, the budget or finance committee or a delegated municipality official.

Unassigned - all other resources; the remaining fund balance after nonspendable, restrictions, commitments, and assignments. This class only occurs in the General Fund, except for cases of negative fund balances. Negative fund balances are always reported as unassigned, no matter which fund the deficit occurs in.

Fund Balance Classification Policies and Procedures

For committed fund balance, the Village's highest level of decision-making authority is the Village Council. Formal action that is required to be taken to establish a fund balance commitment is a resolution of the Village Council. If a fund balance commitment is made, the commitment remains in effect until a resolution is made to remove it.

For assigned fund balance, the Village policy is that either the Council or the Village Manager may assign fund balance pursuant to the Fund Balance Policy adopted by the Village Council.

The Village of Vicksburg has not adopted a policy that defines the order of usage for fund balance amounts classified as restricted, committed, assigned, or unassigned. In the absence of such a policy, resources with the highest level of restriction will be used first.

Stabilization Arrangement

The Board adopted a resolution to establish and maintain a revenue stabilization reserve in the General Fund.

Each fiscal year, the Board may appropriate to the fund, by an ordinance or resolution adopted by a two-thirds vote of the members elected and serving on the Board for the following purposes:

- a. To cover a General Fund deficit, should the Village's annual audit reveal such a deficit;
- b. To prevent a reduction in the level of public services or in the number of employees at any time in the fiscal year when the Village's budgeted revenue is not being collected in an amount sufficient to cover budgeted expenses;

**VILLAGE OF VICKSBURG
NOTES TO FINANCIAL STATEMENTS**

NOTE 1 - DESCRIPTION OF VILLAGE AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Stabilization Arrangement (continued)

- c. To prevent a reduction in the level of public services or in the number of employees when, in preparing the budget for the next fiscal year, the Village's estimated revenue does not appear sufficient to cover estimated expenses; and
- d. To cover expenses arising because of a natural disaster, including flood, fire or tornado, with the proviso that if Federal or State funds are received to offset the appropriations from the fund, that such money shall be returned to the fund.

Estimates

In preparing financial statements in conformity with accounting principles generally accepted in the United States of America, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

NOTE 2 - DEPOSITS AND INVESTMENTS

The deposits referred to below have been reported in the cash and cash equivalents captions on the financial statements, based upon criteria disclosed in Note 1. The following summarizes the categories of cash as of June 30, 2025.

	Primary Government	Component Units	Total
Cash and cash equivalents	\$ 7,300,474	\$ 726,502	\$ 8,026,976
Cash - restricted	741,018	-	741,018
	<u>\$ 8,041,492</u>	<u>\$ 726,502</u>	<u>\$ 8,767,994</u>

As of June 30, 2025, the Village had cash summarized by the following categorization:

Deposits	
Checking	\$ 6,710,538
Investments	
Michigan CLASS Investment Pool	2,055,401
Petty cash	<u>2,055</u>
	<u>\$ 8,767,994</u>

**VILLAGE OF VICKSBURG
NOTES TO FINANCIAL STATEMENTS**

NOTE 2 - DEPOSITS AND INVESTMENTS (continued)

Custodial Credit Risk - Deposits

In the case of deposits, this is the risk that in the event of a bank failure, the village's deposits may not be returned to it. As of June 30, 2025, \$5,603,072 of the Village's bank balance of \$6,857,419 was exposed to custodial credit risk.

Custodial Credit Risk - Investments

For an investment, this is the risk that, in the event of the failure of the counterparty, the Village will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party.

The Village will minimize custodial credit risk, which is the risk of loss due to the failure of the security issue or backer, by; limiting investments to the types of securities allowed by law; and investing through pre-approved third-party custodians.

Concentration of Credit Risk

The Village will minimize concentration of credit risk, which is the risk of loss attributed to the magnitude of the Village's investment in a single issuer, by diversifying the investment portfolio so that the impact of potential losses from any one type of security or issuer will be minimized.

Foreign Currency Risk

The Village is not authorized to invest in investments which have this type of risk.

Interest Rate Risk

The Village will minimize interest rate risk, which is the risk that the market value of securities in the portfolio will fall due to changes in market interest rates, by structuring the investment portfolio so that securities mature to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities in the open market and investing operating funds primarily in shorter-term securities, liquid asset funds, money market mutual funds, or similar investment pools and limiting the average maturity in accordance with the Village's cash requirements.

As of June 30, 2025, the primary government had the following investments containing interest rate risk:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Weighted Average Maturity (Years)</u>
Michigan CLASS Investment Pool	<u>\$ 2,055,401</u>	<u>0.1068</u>

One day maturity equals .0027, one year equals 1.00.

**VILLAGE OF VICKSBURG
NOTES TO FINANCIAL STATEMENTS**

NOTE 2 - DEPOSITS AND INVESTMENTS (continued)

Credit Risk

State law limits investments in commercial paper and corporate bonds to a prime or better rating issued by nationally recognized statistical rating organizations (NRSROs). Obligations of the U.S. government or obligations explicitly guaranteed by the U.S. government are not considered to have credit risk and do not require disclosure of credit quality.

As of June 30, 2025, the primary government had the following investments containing credit risk:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Standard & Poor's Rating</u>
Michigan CLASS Investment Pool	<u>\$ 2,055,401</u>	AAAm

Investments in Entities that Calculate Net Asset Value Per Share

The Village holds shares or interests in an investment pool where the fair value of the investments is measured on a recurring basis using net asset value per share (or its equivalent) of the investment companies as a practical expedient.

The Michigan CLASS investment pool invest in U.S. Treasury obligations, federal agency obligations of the U.S. government, high-grade commercial paper (rated "A1" or better), collateralized bank deposits, repurchase agreements (collateralized at 102 percent by treasuries and agencies), and approved money market funds. The program is designed to meet the needs of Michigan public sector investors. It purchases securities that are legally permissible under state statutes and are available for investment by Michigan counties, cities, townships, school districts, authorities, and other public agencies.

At the year ended June 30, 2025, the fair value, unfunded commitments, and redemption rules of those investments are as follows:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Unfunded Commitments</u>	<u>Redemption Frequency if Eligible</u>	<u>Redemption Notice Period</u>
Michigan CLASS Investment Pool	<u>\$ 2,055,401</u>	<u>\$ -</u>	No restrictions	None

VILLAGE OF VICKSBURG
NOTES TO FINANCIAL STATEMENTS

NOTE 3 - CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2025, was as follows:

Primary Government

	Balance July 1, 2024	Additions	Deletions	Balance June 30, 2025
Governmental Activities				
Capital assets not being depreciated				
Land	\$ 1,165,533	\$ -	\$ -	\$ 1,165,533
Capital assets being depreciated				
Land improvements	7,377,688	251,001	-	7,628,689
Buildings and improvements	4,392,136	7,695	-	4,399,831
Furniture and equipment	1,398,491	-	-	1,398,491
Vehicles	505,716	67,718	-	573,434
Total capital assets being depreciated	13,674,031	326,414	-	14,000,445
Less accumulated depreciation for:				
Land improvements	(3,239,744)	(294,068)	-	(3,533,812)
Buildings and improvements	(1,189,764)	(99,732)	-	(1,289,496)
Furniture and equipment	(1,261,248)	(39,504)	-	(1,300,752)
Vehicles	(301,881)	(64,268)	-	(366,149)
Total accumulated depreciation	(5,992,637)	(497,572)	-	(6,490,209)
Net capital assets being depreciated	7,681,394	(171,158)	-	7,510,236
Capital assets, net	<u>\$ 8,846,927</u>	<u>\$ (171,158)</u>	<u>\$ -</u>	<u>\$ 8,675,769</u>

VILLAGE OF VICKSBURG
NOTES TO FINANCIAL STATEMENTS

NOTE 3 - CAPITAL ASSETS (continued)

Primary Government (continued)

	Balance July 1, 2024	Additions	Deletions	Balance June 30, 2025
Business-type Activities				
Capital assets, not being depreciated/amortized				
Land	\$ 1,000,000	\$ -	\$ -	\$ 1,000,000
Construction in progress	141,017	2,246,555	-	2,387,572
Total capital assets not being depreciated/amortized	1,141,017	2,246,555	-	3,387,572
Capital assets, being depreciated/amortized				
Sewer system	12,418,936	-	-	12,418,936
Water system	5,855,657	35,856	-	5,891,513
Golf course	1,864,533	95,295	(36,800)	1,923,028
Golf carts - right to use	351,309	-	-	351,309
Subtotal	20,490,435	131,151	(36,800)	20,584,786
Less accumulated depreciation/amortization for:				
Sewer system	(3,465,924)	(282,904)	-	(3,748,828)
Water system	(2,121,951)	(141,815)	-	(2,263,766)
Golf course	(949,280)	(136,517)	19,599	(1,066,198)
Golf carts - right to use	(277,349)	(73,960)	-	(351,309)
Subtotal	(6,814,504)	(635,196)	19,599	(7,430,101)
Net capital assets being depreciated/amortized	13,675,931	(504,045)	(17,201)	13,154,685
Capital assets, net	<u>\$ 14,816,948</u>	<u>\$ 1,742,510</u>	<u>\$ (17,201)</u>	<u>\$ 16,542,257</u>

Component Unit

	Balance July 1, 2024	Additions	Deletions	Balance June 30, 2025
Downtown Development Authority				
Capital assets being depreciated				
Land improvements	\$ 194,954	\$ -	\$ -	\$ 194,954
Less accumulated depreciation for:				
Land improvements	(108,052)	(15,233)	-	(123,285)
Capital assets, net	<u>\$ 86,902</u>	<u>\$ (15,233)</u>	<u>\$ -</u>	<u>\$ 71,669</u>

**VILLAGE OF VICKSBURG
NOTES TO FINANCIAL STATEMENTS**

NOTE 3 - CAPITAL ASSETS (continued)

Depreciation/amortization expense was charged to the following functions:

	Governmental Activities	Business-type Activities
General government	\$ 80,241	\$ -
Public safety	31,079	-
Public works	344,477	-
Recreation and culture	41,775	-
Sewer	-	282,904
Water	-	141,815
Golf course	-	210,477
	<hr/>	<hr/>
Total depreciation/amortization expense	<u>\$ 497,572</u>	<u>\$ 635,196</u>

NOTE 4 - LEASES

Changes in leases for the year ended June 30, 2025, are as follows:

	Balance July 1, 2024	Additions	Deletions	Balance June 30, 2025	Amounts Due Within One Year
US Golf Carts	\$ 28,361	\$ -	\$ (28,361)	\$ -	\$ -
GPS for Golf Carts	31,722	-	(31,722)	-	-
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total	<u>\$ 60,083</u>	<u>\$ -</u>	<u>\$ (60,083)</u>	<u>\$ -</u>	<u>\$ -</u>

The terms and expiration of the Village's lease liability at June 30, 2025, follows:

US Golf Carts - Lease agreement dated April 1, 2021, in the original principal amount of \$221,072 (from implementation date), due in monthly installments of \$9,501 through April 1, 2025.

GPS for Golf Carts - Lease agreement dated April 1, 2021, in the original principal amount of \$148,727 (from implementation date), due in monthly installments of \$6,392 through April 1, 2025.

VILLAGE OF VICKSBURG
NOTES TO FINANCIAL STATEMENTS

NOTE 5 - LONG-TERM OBLIGATIONS

The following is a summary of changes in long-term obligations (including current portion) of the for the year ended June 30, 2025:

Primary Government

	Balance July 1, 2024	Additions	Deletions	Balance June 30, 2025	Amounts Due Within One Year
Governmental activities					
Direct placements					
2020 USDA street bonds	\$ 1,314,660	\$ -	\$ (39,008)	\$ 1,275,652	\$ 26,000
Other debt - bonds					
2014 Capital and refunding bonds	380,000	-	(30,000)	350,000	35,000
Compensated absences*	175,644	-	(72,505)	103,139	91,459
Less discounts on bonds	(4,001)	-	682	(3,319)	-
Total governmental activities	1,866,303	-	(140,831)	1,725,472	152,459
Business-type activities					
Direct placements					
2020 Sewer USDA	6,769,175	-	(135,000)	6,634,175	140,000
2020 Water USDA series A	1,316,000	-	(25,000)	1,291,000	25,000
2020 Water USDA series B	810,000	-	(15,000)	795,000	15,000
2024 Water USDA bonds	1,000	523,345	-	524,345	9,921
Other debt - bonds					
2014 Capital and refunding bonds	1,730,000	-	(145,000)	1,585,000	145,000
Less discounts on bonds	(18,237)	-	3,110	(15,127)	-
Total business-type activities	10,607,938	523,345	(316,890)	10,814,393	334,921
Total reporting entity	\$ 12,474,241	\$ 523,345	\$ (457,721)	\$ 12,539,865	\$ 487,380

*The change in compensated absences liability is presented as a net change

VILLAGE OF VICKSBURG
NOTES TO FINANCIAL STATEMENTS

NOTE 5 - LONG-TERM OBLIGATIONS (continued)

Primary Government

Governmental Activities

\$625,000 2014 Capital improvement and refunding bonds dated September 23, 2014, due in annual installments ranging from \$35,000 to \$45,000 from October 1, 2025 through October 1, 2033, with interest ranging from 3.00% to 4.25%, payable semi-annually.	\$ 350,000
\$1,402,000 2020 USDA street bonds dated September 29, 2020, due in annual installments ranging from \$20,652 to 48,000 from September 1, 2025 through September 1, 2060, with interest of 1.50%, payable semi-annually.	1,275,652
Less discount on bonds payable	<u>(3,319)</u>
Total governmental activities long-term obligations	<u><u>\$ 1,622,333</u></u>

Business-type Activities

\$2,855,000 2014 Capital improvement and refunding bonds dated September 23, 2014, due in annual installments ranging from \$145,000 to \$210,000 from October 1, 2025 through October 1, 2033, with interest ranging from 3.00% to 4.25%, payable semi-annually.	\$ 1,585,000
\$7,595,000 2020 USDA Sewer bonds dated September 29, 2020, due in annual installments ranging from \$9,175 to \$260,000 from September 1, 2025 through September 1, 2059, with interest of 1.50%, payable semi-annually.	6,634,175
\$1,388,000 2020 USDA Water series A bonds dated September 29, 2020, due in annual installments ranging from \$25,000 to \$50,000 from September 1, 2025 through September 1, 2059, with interest of 1.50%, payable semi-annually.	1,291,000
\$841,000 2020 USDA Water series B bonds dated September 29, 2020, due in annual installments ranging from \$14,000 to \$30,000 from September 1, 2025 through September 1, 2061, with interest of 1.50%, payable semi-annually.	795,000
\$1,075,000 2024 USDA Water series bonds dated May 23, 2024, due in annual installments ranging from \$15,000 to \$25,000 from March 1, 2026 through March 1, 2064, with interest of 2.75%, payable semi-annually.	524,345
Less discount on bonds payable	<u>(15,127)</u>
Total bonds payable	<u><u>\$ 10,814,393</u></u>

**VILLAGE OF VICKSBURG
NOTES TO FINANCIAL STATEMENTS**

NOTE 5 - LONG-TERM OBLIGATIONS (continued)

The following is a summary of annual debt service requirements to maturity for the above obligations:

Primary Government

Year Ended June 30,	Governmental Activities				Business-type Activities			
	Direct placements		Other debt - bonds		Direct placements		Other debt - bonds	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
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	28,000	17,970	40,000	7,925	194,000	122,138	175,000	36,181
2031-2035	146,000	83,446	170,000	14,775	1,026,000	552,490	780,000	67,528
2036-2040	160,000	72,092	-	-	1,135,000	469,360	-	-
2041-2045	177,000	59,596	-	-	1,254,000	378,077	-	-
2046-2050	193,000	45,842	-	-	1,371,000	278,111	-	-
2041-2055	212,000	30,798	-	-	1,511,000	168,407	-	-
2056-2060	233,000	14,268	-	-	1,398,175	49,772	-	-
2061-2064	20,652	736	-	-	94,000	210	-	-
	<u>\$ 1,275,652</u>	<u>\$ 400,634</u>	<u>\$ 350,000</u>	<u>\$ 68,800</u>	<u>\$ 8,720,175</u>	<u>\$ 2,535,858</u>	<u>\$ 1,585,000</u>	<u>\$ 314,433</u>

Outstanding principal and interest on the 2024 Water USDA loan has been excluded from the schedules above because the loan has not been drawn in full. An amortization schedule will be determined at the completion of the project.

NOTE 6 - DEFINED BENEFIT PENSION PLAN

Plan Description

The Village's defined benefit pension plan provides certain retirement, disability, and death benefits to plan members and beneficiaries. The Village participates in the Municipal Employees' Retirement System (MERS) of Michigan. MERS is an agent multiple-employer, statewide public employee pension plan established by the Michigan's 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 accessing MERS website at www.mersofmich.com.

Summary of Significant Accounting Policies

For the purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Municipal Employees' Retirement System (MERS) of Michigan and additions to/deductions from MERS' fiduciary net position have been determined on the same basis as they are reported by MERS. 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.

**VILLAGE OF VICKSBURG
NOTES TO FINANCIAL STATEMENTS**

NOTE 6 - DEFINED BENEFIT RETIREMENT PLAN (continued)

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.

At the December 31, 2024, valuation date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries receiving benefits	13
Inactive employees entitled to but not yet receiving benefits	15
Active employees	<u>5</u>
	<u><u>33</u></u>

Contributions

Article 9, Section 24 of the State of Michigan constitution requires that financial benefits arising on account of employee service rendered in each year be funded during that year. Accordingly, MERS retains an independent actuary to determine the annual contribution. The employer 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 costs of benefits earned by plan members during the year, with an additional amount to finance any unfunded accrued liability. The employer may establish contribution rates to be paid by its covered employees.

The Village had annual employer contributions totaling \$134,985, during the fiscal year ended June 30, 2025.

Payable to the Pension Plan

At June 30, 2025, there were no amounts outstanding by the Village for contributions to the pension plan required for the year ended June 30, 2025.

Net Pension Liability

The Village's net pension liability was measured as of December 31, 2024, and the total pension liability used to calculate the net pension liability was determined by an annual actuarial valuation as of that date.

**VILLAGE OF VICKSBURG
NOTES TO FINANCIAL STATEMENTS**

NOTE 6 - DEFINED BENEFIT RETIREMENT PLAN (continued)

Actuarial Assumptions

The total pension liability in the December 31, 2024 annual actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation: 2.50%

Salary increases: 3.00% plus merit and longevity, 3.00% in the long-term

Investment rate of return: 7.18%, net of investment and administrative expense including inflation

Although no specific price inflation assumptions are needed for the valuation, the 3.00% long-term wage inflation assumption would be consistent with a price inflation of 3.00-4.00%

Mortality rates used were based on a version of Pub-2010 and fully generational MP-2019

The actuarial assumptions used in valuation were based on the results of the most recent actuarial experience study of 2014-2018.

Changes in Assumptions

Adopted the results of an experience study covering the period of January 1, 2019 through December 31, 2023.

Changes in Benefits

There were no changes of benefit terms during plan year 2024.

Projected Cash Flows

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.

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.

**VILLAGE OF VICKSBURG
NOTES TO FINANCIAL STATEMENTS**

NOTE 6 - DEFINED BENEFIT RETIREMENT PLAN (continued)

Projected Cash Flows (continued)

The target allocation and best estimates of geographic real rates of return for each major asset class are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Total Allocation Gross Rate of Return</u>	<u>Expected Long-term Real Rate of Return</u>
Global Equity	60.00%	4.50%	2.70%
Global Fixed Income	20.00%	2.15%	0.43%
Private investments	<u>20.00%</u>	6.50%	<u>1.30%</u>
	<u>100.00%</u>		4.43%
Inflation			<u>2.50%</u>
Assumed investment rate of return			6.93%
Administrative expenses netted above			<u>0.25%</u>
Investment rate of return (discount rate)			<u>7.18%</u>

Discount Rate

The discount rate used to measure the total pension liability is 7.18%. The current discount rate shown for GASB 68 purposes is higher than the MERS assumed rate of return. This is because, for GASB 68 purposes, the discount rate must be gross of administrative expenses, whereas for funding purposes, it is net of administrative expenses. The projection of cash flows used to determine the discount rate assumes that employer and employee contributions will be made at the rates agreed upon for employees and 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.

VILLAGE OF VICKSBURG
NOTES TO FINANCIAL STATEMENTS

NOTE 6 - DEFINED BENEFIT RETIREMENT PLAN (continued)

Calculating the Net Pension Liability

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

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
	(a)	(b)	(a)-(b)
Balances at December 31, 2023	\$ 3,583,302	\$ 2,296,471	\$ 1,286,831
Changes for the year			
Service cost	29,802	-	29,802
Interest on total pension liability	249,966	-	249,966
Difference between expected and actual experience	(3,201)	-	(3,201)
Changes in assumptions	47	-	47
Contributions - employer	-	129,170	(129,170)
Net investment income	-	169,907	(169,907)
Benefit payments, including employee refunds	(233,546)	(233,546)	-
Administrative expense	-	(5,023)	5,023
Other changes	1	-	1
Net changes	43,069	60,508	(17,439)
Balances at December 31, 2024	\$ 3,626,371	\$ 2,356,979	\$ 1,269,392

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% lower or 1% higher than the current rate.

	1% Decrease	Current Discount Rate	1% Increase
Net pension liability	\$ 1,695,042	\$ 1,269,392	\$ 912,882

**VILLAGE OF VICKSBURG
NOTES TO FINANCIAL STATEMENTS**

NOTE 6 - DEFINED BENEFIT RETIREMENT PLAN (continued)

Pension Expenses and Deferred Outflows and Inflows of Resources Related to Pensions

For the year ended June 30, 2025, the Village recognized pension expense of \$117,732. The Village reported deferred outflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ -	\$ 1,601
Change in assumptions	24	-
Net difference between projected and actual earnings on pension plan investments	86,319	-
Contributions subsequent to the measurement date*	<u>67,921</u>	<u>-</u>
Total	<u>\$ 154,264</u>	<u>\$ 1,601</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 for the year ending June 30, 2026.

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

<u>Year Ending June 30,</u>	<u>Pension Expense</u>
2026	\$ 37,226
2027	67,639
2028	(18,333)
2029	<u>(1,790)</u>
	<u>\$ 84,742</u>

**VILLAGE OF VICKSBURG
NOTES TO FINANCIAL STATEMENTS**

NOTE 7 - DEFINED CONTRIBUTION RETIREMENT 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, 2025, the Village made contributions of \$60,555. At June 30, 2025, 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 8 - 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 9 - 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.

VILLAGE OF VICKSBURG
NOTES TO FINANCIAL STATEMENTS

NOTE 10 - 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.

The amount of taxes abated within the Village's Local Development Finance Authority Component Unit during the year ended June 30, 2025, was \$41,874.

NOTE 11 - CHANGE IN ACCOUNTING PRINCIPLE

For the year ended June 30, 2025, the Village implemented Governmental Accounting Standards Board (GASB) Statement No. 102, *Certain Risk Disclosures*. This Statement requires a government to assess whether 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.

NOTE 12 - UPCOMING ACCOUNTING PRONOUNCEMENTS

In April 2024, the GASB issued Statement No. 103, *Financial Reporting Model Improvements*. This Statement establishes new accounting and financial reporting requirements - or modifies existing requirements - related to the following:

- a. Management's discussion and analysis (MD&A);
 - i. Requires that the information presented in MD&A be limited to the related topics discussed in five specific sections:
 - 1) Overview of the Financial Statements,
 - 2) Financial Summary,
 - 3) Detailed Analyses,
 - 4) Significant Capital Asset and Long-Term Financing Activity,
 - 5) Currently Known Facts, Decisions, or Conditions;
 - ii. Stresses detailed analyses should explain why balances and results of operations changed rather than simply presenting the amounts or percentages by which they changed;
 - iii. Removes the requirement for discussion of significant variations between original and final budget amounts and between final budget amounts and actual results;

**VILLAGE OF VICKSBURG
NOTES TO FINANCIAL STATEMENTS**

NOTE 12 - UPCOMING ACCOUNTING PRONOUNCEMENTS (continued)

- b. Unusual or infrequent items;
- c. Presentation of the proprietary fund statement of revenues, expenses, and changes in fund net position;
 - i. Requires that the proprietary fund statement of revenues, expenses, and changes in fund net position continue to distinguish between operating and nonoperating revenues and expenses and clarifies the definition of operating and nonoperating revenues and expenses;
 - ii. Requires that a subtotal for *operating income (loss) and noncapital subsidies* be presented before reporting other nonoperating revenues and expenses and defines subsidies;
- d. Information about major component units in basic financial statements should be presented separately in the statement of net position and statement of activities unless it reduces the readability of the statements in which case combining statements of should be presented after the fund financial statements;
- e. Budgetary comparison information should include variances between original and final budget amounts and variances between final budget and actual amounts with explanations of significant variances required to be presented in the notes to RSI.

The Village is currently evaluating the impact this standard will have on the financial statements when adopted during the 2025-2026 fiscal year.

In September 2024, the GASB issued Statement No. 104, *Disclosure of Certain Capital Assets*. This Statement requires certain types of capital assets to be disclosed separately in the capital assets note disclosures required by Statement No. 34. Lease assets recognized in accordance with Statement No. 87, *Leases*, and intangible right-to-use assets recognized in accordance with Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, should be disclosed separately by major class of underlying asset in the capital assets note disclosures. Subscription assets recognized in accordance with Statement No. 96, *Subscription-based Information Technology Arrangements*, also should be separately disclosed. In addition, this Statement requires intangible assets other than those three types to be disclosed separately by major class. This Statement also requires additional disclosures for capital assets held for sale. The Village is currently evaluating the impact this standard will have on the financial statements when adopted during the 2025-2026 fiscal year.

REQUIRED SUPPLEMENTARY INFORMATION

**VILLAGE OF VICKSBURG
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
YEAR ENDED JUNE 30, 2025**

	Budgeted Amounts			Variances with Final Budget Positive (Negative)
	Original	Final	Actual	
REVENUES				
Property taxes	\$ 1,931,250	\$ 2,057,318	\$ 2,063,717	\$ 6,399
Licenses and permits	14,600	9,478	16,760	7,282
Intergovernmental	537,162	959,843	927,615	(32,228)
Fines and forfeitures	3,000	3,678	4,581	903
Investment earnings	37,500	72,921	88,672	15,751
Miscellaneous	237,400	110,470	63,151	(47,319)
TOTAL REVENUES	2,760,912	3,213,708	3,164,496	(49,212)
EXPENDITURES				
Current				
General government				
Legislative - village council	21,475	33,325	28,158	5,167
Village president	4,925	4,925	4,088	837
Village manager	132,734	133,434	79,623	53,811
Treasurer	35,600	35,600	30,953	4,647
Clerk	29,300	29,800	24,816	4,984
Administration	174,200	197,950	132,938	65,012
Building and grounds	30,450	39,550	34,843	4,707
Total general government	428,684	474,584	335,419	139,165
Public safety				
Police department	786,100	791,900	718,576	73,324
Fire department	166,800	173,800	161,170	12,630
Building inspections	-	1,000	750	250
Total public safety	952,900	966,700	880,496	86,204
Public works				
Department of public works	451,275	520,325	446,434	73,891
Recycling	42,500	42,500	22,827	19,673
Sidewalks	1,000	1,000	-	1,000
Total public works	494,775	563,825	469,261	94,564
Community and economic development				
Community development and planning	72,750	77,250	53,171	24,079
Recreation and culture				
Parks	119,000	123,000	87,963	35,037
Debt service				
Principal	30,100	30,100	30,000	100
Interest	15,000	15,000	14,925	75
Total debt service	45,100	45,100	44,925	175
Capital outlay	337,500	623,027	422,947	200,080
TOTAL EXPENDITURES	2,450,709	2,873,486	2,294,182	579,304
EXCESS OF REVENUES OVER EXPENDITURES	310,203	340,222	870,314	530,092
OTHER FINANCING SOURCES				
Transfers in	65,000	65,000	-	(65,000)
Sale of capital assets	15,000	125,000	131,379	6,379
TOTAL OTHER FINANCING SOURCES	80,000	190,000	131,379	(58,621)
NET CHANGE IN FUND BALANCE	390,203	530,222	1,001,693	471,471
Fund balance, beginning of year	2,000,691	2,000,691	2,000,691	-
Fund balance, end of year	\$ 2,390,894	\$ 2,530,913	\$ 3,002,384	\$ 471,471

**VILLAGE OF VICKSBURG
MAJOR STREET FUND
BUDGETARY COMPARISON SCHEDULE
YEAR ENDED JUNE 30, 2025**

	<u>Budgeted Amounts</u>			Variances with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
REVENUES				
Intergovernmental	\$ 290,000	\$ 304,560	\$ 400,443	\$ 95,883
Investment earnings	3,500	3,529	4,201	672
TOTAL REVENUES	<u>293,500</u>	<u>308,089</u>	<u>404,644</u>	<u>96,555</u>
EXPENDITURES				
Current				
Public works				
Preservation	48,000	48,000	15,588	32,412
Winter maintenance	12,750	14,250	9,774	4,476
Traffic service	38,500	38,500	29,983	8,517
Administration	30,000	36,100	647	35,453
Total public works	<u>129,250</u>	<u>136,850</u>	<u>55,992</u>	<u>80,858</u>
Debt service				
Principal	30,000	40,000	39,008	992
Interest	48,000	48,000	19,526	28,474
Total debt service	<u>78,000</u>	<u>88,000</u>	<u>58,534</u>	<u>29,466</u>
Capital outlay	<u>127,000</u>	<u>127,000</u>	<u>17,634</u>	<u>109,366</u>
TOTAL EXPENDITURES	<u>334,250</u>	<u>351,850</u>	<u>132,160</u>	<u>219,690</u>
NET CHANGE IN FUND BALANCE	(40,750)	(43,761)	272,484	316,245
Fund balance, beginning of year	<u>736,112</u>	<u>736,112</u>	<u>736,112</u>	<u>-</u>
Fund balance, end of year	<u>\$ 695,362</u>	<u>\$ 692,351</u>	<u>\$ 1,008,596</u>	<u>\$ 316,245</u>

**VILLAGE OF VICKSBURG
LOCAL STREET FUND
BUDGETARY COMPARISON SCHEDULE
YEAR ENDED JUNE 30, 2025**

	Budgeted Amounts			Variances with Final Budget Positive (Negative)
	Original	Final	Actual	
REVENUES				
Intergovernmental	\$ 115,000	\$ 115,000	\$ 173,515	\$ 58,515
Investment earnings	-	1,446	1,812	366
TOTAL REVENUES	115,000	116,446	175,327	58,881
EXPENDITURES				
Current				
Public works				
Preservation	67,250	67,250	32,469	34,781
Winter maintenance	14,000	14,000	11,867	2,133
Traffic service	12,500	12,500	4,214	8,286
Total public works	93,750	93,750	48,550	45,200
Capital outlay	232,500	232,500	226,688	5,812
TOTAL EXPENDITURES	326,250	326,250	275,238	51,012
NET CHANGE IN FUND BALANCE	(211,250)	(209,804)	(99,911)	109,893
Fund balance, beginning of year	481,397	481,397	481,397	-
Fund balance, end of year	<u>\$ 270,147</u>	<u>\$ 271,593</u>	<u>\$ 381,486</u>	<u>\$ 109,893</u>

VILLAGE OF VICKSBURG
MUNICIPAL EMPLOYEES' RETIREMENT SYSTEM OF MICHIGAN
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
LAST TEN MEASUREMENT DATES
(AMOUNTS DETERMINED AS OF 12/31 OF EACH FISCAL YEAR)

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Total pension liability										
Service cost	\$ 29,802	\$ 28,972	\$ 43,704	\$ 34,432	\$ 31,279	\$ 30,888	\$ 23,991	\$ 35,296	\$ 55,959	\$ 66,434
Interest	249,966	249,083	241,894	231,166	219,800	220,202	218,178	222,773	209,559	196,303
Difference between expected and actual experience	(3,201)	(47,269)	9,306	70,507	(27,067)	(48,397)	(51,205)	(138,507)	67,255	16,084
Changes of assumptions	47	27,495	-	132,001	93,252	104,791	-	-	-	105,307
Changes of benefit terms	-	-	-	-	-	(576)	(1,169)	(3,305)	-	-
Benefit payments including employee refunds	(233,546)	(192,197)	(184,594)	(171,304)	(167,237)	(167,839)	(168,046)	(168,046)	(146,518)	(131,141)
Other	1	(3)	-	-	-	-	2	1	2	2
Net change in total pension liability	43,069	66,081	110,310	296,802	150,027	139,069	21,751	(51,788)	186,257	252,989
Total pension liability, beginning	3,583,302	3,517,221	3,406,911	3,110,109	2,960,082	2,821,013	2,799,262	2,851,050	2,664,793	2,411,804
Total pension liability, ending	<u>\$ 3,626,371</u>	<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>
Plan fiduciary net position										
Contributions - employer	\$ 129,170	\$ 122,041	\$ 111,921	\$ 98,062	\$ 88,140	\$ 96,214	\$ 84,759	\$ 94,773	\$ 113,293	\$ 103,872
Contributions - employee	-	4,191	6,700	6,587	5,481	4,953	4,690	2,182	-	-
Net investment income (loss)	169,907	234,764	(254,258)	310,048	254,942	250,481	(77,358)	241,982	192,887	(26,146)
Benefit payments including employee refunds	(233,546)	(192,197)	(184,594)	(171,304)	(167,237)	(167,839)	(168,046)	(168,046)	(146,518)	(131,141)
Administrative expense	(5,023)	(4,983)	(4,496)	(3,558)	(4,070)	(4,318)	(3,878)	(3,834)	(3,805)	(3,833)
Net change in plan fiduciary net position	60,508	163,816	(324,727)	239,835	177,256	179,491	(159,833)	167,057	155,857	(57,248)
Plan fiduciary net position, beginning	2,296,471	2,132,655	2,457,382	2,217,547	2,040,291	1,860,800	2,020,633	1,853,576	1,697,719	1,754,967
Plan fiduciary net position, ending	<u>\$ 2,356,979</u>	<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>
Villages' net pension liability	<u>\$ 1,269,392</u>	<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>
Plan fiduciary net position as a percentage of the total pension liability	65.00%	64.09%	60.63%	72.13%	71.30%	68.93%	65.96%	72.18%	65.01%	63.71%
Covered payroll	\$ 289,931	\$ 283,479	\$ 413,494	\$ 338,305	\$ 358,148	\$ 351,491	\$ 383,389	\$ 398,139	\$ 631,719	\$ 758,554
Village's net pension liability as a percentage of covered payroll	437.83%	453.94%	334.85%	280.67%	249.22%	261.68%	250.45%	195.57%	157.90%	127.49%

VILLAGE OF VICKSBURG
MUNICIPAL EMPLOYEES' RETIREMENT SYSTEM OF MICHIGAN
SCHEDULE OF EMPLOYER CONTRIBUTIONS
LAST TEN FISCAL YEARS
(AMOUNTS WERE DETERMINED AS OF 6/30 OF EACH FISCAL YEAR)

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Actuarial determined contributions ⁽¹⁾	\$ 134,985	\$ 123,279	\$ 120,294	\$ 104,469	\$ 89,445	\$ 87,679	\$ 94,980	\$ 98,228	\$ 100,613	\$ 134,820
Contributions in relation to the actuarially determined contribution	134,985	123,279	120,294	104,469	89,445	87,679	94,980	98,228	100,613	134,820
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$ 289,931	\$ 283,479	\$ 413,494	\$ 338,305	\$ 358,148	\$ 351,491	\$ 383,389	\$ 398,139	\$ 631,719	\$ 758,554
Contributions as a percentage of covered payroll	46.56%	43.49%	29.09%	30.88%	24.97%	24.94%	24.77%	24.67%	15.93%	17.77%

⁽¹⁾ The actuarially determined contribution was calculated based on projected covered payroll. Employer contributions were made in full based on actual covered payroll. Accordingly, the actuarially-determined contribution has been expressed above as a percentage of actual payroll.

VILLAGE OF VICKSBURG
NOTE TO REQUIRED SUPPLEMENTARY INFORMATION
YEAR ENDED JUNE 30, 2025

NOTE 1 - EMPLOYEE RETIREMENT PLAN

Valuation date	December 31, 2024
Measurement date	December 31, 2024
Actuarial cost method	Entry-age normal
Amortization method	Level percentage of payroll
Remaining amortization period	14 years
Asset valuation method	5-year smoothed market
Inflation	2.50%
Discount rate	7.18%
Salary increases	3.00% plus merit and longevity, 3.00% in the long-term
Long-term expected rate of return	6.93%, net of investment and administrative expense including inflation
Mortality	Pub-2010 and fully generational MP-2019
Changes of benefits terms	There were no changes of benefit terms for the plan year 2024
Changes in assumptions	Adopted the results of an experience study covering the period of January 1, 2019 through December 31, 2023.

Changes in assumptions

<u>Plan Year</u>	
2024	Adopted the results of an experience study covering the period of January 1, 2019 through December 31, 2023.
2023	Discount rate was lowered from 7.25% to 7.18%. Investment rate of return was lowered from 7.00% to 6.93%, net of administrative and investment expenses.
2021	Mortality rates were updated to be based on the Pub-2010 mortality tables.
2020	Increases in merit and longevity pay assumptions.
2019	Salary increase was decreased from 3.75% to 3.00%. Discount rate was lowered from 8.00% to 7.60%. Investment rate of return was lowered from 7.75% to 7.35%, net of administrative and investment expenses.
2015	Mortality rates were updated to be based on the RP-2014 group mortality tables. Salary increase was decreased from 4.50% to 3.75%. Discount rate was lowered from 8.25% to 8.00%. Investment rate of return was lowered from 8.00% to 7.75%, net of administrative and investment expenses.

Changes in benefits

<u>Plan Year</u>	
2019	Increasd employee contributions
2018	Increasd employee contributions
2017	Increasd employee contributions

OTHER SUPPLEMENTARY INFORMATION

**VILLAGE OF VICKSBURG
COMPONENT UNIT FUNDS
BALANCE SHEET - DOWNTOWN DEVELOPMENT AUTHORITY
JUNE 30, 2025**

	<u>Downtown Development Authority</u>
ASSETS	
Cash and cash equivalents	<u>\$ 162,480</u>
LIABILITIES AND FUND BALANCE	
LIABILITIES	
Accounts payable	\$ 8,946
Accrued liabilities	<u> 213</u>
TOTAL LIABILITIES	<u> 9,159</u>
FUND BALANCE	
Assigned	43,570
Unassigned	<u>109,751</u>
TOTAL FUND BALANCE	<u>153,321</u>
TOTAL LIABILITIES AND FUND BALANCE	<u><u>\$ 162,480</u></u>

**VILLAGE OF VICKSBURG
COMPONENT UNIT FUNDS
RECONCILIATION OF THE GOVERNMENTAL FUND BALANCE SHEET TO THE
STATEMENT OF NET POSITION - DOWNTOWN DEVELOPMENT AUTHORITY
JUNE 30, 2025**

Total Fund Balance - Governmental Fund	\$ 153,321
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Amounts reported for the governmental activities in the statement of net position are different because:

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

The cost of capital assets is	\$ 194,954
Accumulated depreciation is	<u>(123,285)</u>

Capital assets, net	<u>71,669</u>
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Net Position of Governmental Activities	<u><u>\$ 224,990</u></u>
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**VILLAGE OF VICKSBURG
COMPONENT UNIT FUNDS
STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE - DOWNTOWN DEVELOPMENT AUTHORITY
YEAR ENDED JUNE 30, 2025**

	<u>Downtown Development Authority</u>
REVENUES	
Property taxes	\$ 106,913
Investment earnings	648
Miscellaneous	<u>58,650</u>
 TOTAL REVENUES	 <u>166,211</u>
EXPENDITURES	
Current	
Community and economic development	<u>133,493</u>
 Capital outlay	 <u>22,051</u>
 TOTAL EXPENDITURES	 <u>155,544</u>
 NET CHANGE IN FUND BALANCE	 10,667
 Fund balance, beginning of year	 <u>142,654</u>
 Fund balance, end of year	 <u><u>\$ 153,321</u></u>

**VILLAGE OF VICKSBURG
COMPONENT UNIT FUNDS
RECONCILIATION OF STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE OF THE GOVERNMENTAL FUND TO THE STATEMENT OF ACTIVITIES - DOWNTOWN
DEVELOPMENT AUTHORITY
YEAR ENDED JUNE 30, 2025**

Net Change in Fund Balance - Governmental Fund	\$ 10,667
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Amounts reported for governmental activities in the statement of activities are different because:

Capital outlays are reported as expenditures in governmental funds. However, in the statement of activities, the cost of capital assets is allocated over their estimated useful lives as depreciation expense. In the current period, these amounts are:

Depreciation expense	<u>(15,233)</u>
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Change in Net Position of Governmental Activities	<u>\$ (4,566)</u>
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**VILLAGE OF VICKSBURG
COMPONENT UNIT FUNDS
BALANCE SHEET - BROWNFIELD REDEVELOPMENT AUTHORITY
JUNE 30, 2025**

	Brownfield Redevelopment Authority
ASSETS	
Cash and cash equivalents	\$ 564,022
LIABILITIES AND FUND BALANCE	
LIABILITIES	\$ 10,818
FUND BALANCE	
Unassigned	553,204
TOTAL LIABILITIES AND FUND BALANCE	\$ 564,022

Note: Reconciliation of the governmental fund balance sheet to the statement of net position for this component unit is not required as the fund balance was equal to the net position at June 30, 2025.

**VILLAGE OF VICKSBURG
COMPONENT UNIT FUNDS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BROWNFIELD REDEVELOPMENT AUTHORITY
YEAR ENDED JUNE 30, 2025**

	Brownfield Redevelopment Authority
REVENUES	
Property taxes	\$ 30,832
Investment earnings	<u>13,774</u>
 TOTAL REVENUES	 <u>44,606</u>
EXPENDITURES	
Current	
Community and economic development	<u>17,701</u>
 NET CHANGE IN FUND BALANCE	 26,905
 Fund balance, beginning of year	 <u>526,299</u>
 Fund balance, end of year	 <u><u>\$ 553,204</u></u>

Note: Reconciliation of the statement of revenues, expenditures, and changes in fund balance of the governmental fund to the statement of activities for the component unit is not required as the net change in fund balance was equal to the change in net position for the year ended June 30, 2025.

**VILLAGE OF VICKSBURG
DOWNTOWN DEVELOPMENT AUTHORITY
BUDGETARY COMPARISON SCHEDULE
YEAR ENDED JUNE 30, 2025**

	<u>Budgeted Amounts</u>			Variances with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
REVENUES				
Property taxes	\$ 91,000	\$ 91,000	\$ 106,913	\$ 15,913
Investment earnings	1,000	1,000	648	(352)
Miscellaneous	80,500	86,650	58,650	(28,000)
TOTAL REVENUES	172,500	178,650	166,211	(12,439)
EXPENDITURES				
Current				
Community and economic development	126,800	160,000	133,493	26,507
Capital outlay	35,500	35,500	22,051	13,449
TOTAL EXPENDITURES	162,300	195,500	155,544	39,956
NET CHANGE IN FUND BALANCE	10,200	(16,850)	10,667	27,517
Fund balance, beginning of year	142,654	142,654	142,654	-
Fund balance, end of year	<u>\$ 152,854</u>	<u>\$ 125,804</u>	<u>\$ 153,321</u>	<u>\$ 27,517</u>

**VILLAGE OF VICKSBURG
BROWNFIELD REDEVELOPMENT AUTHORITY
BUDGETARY COMPARISON SCHEDULE
YEAR ENDED JUNE 30, 2025**

	<u>Budgeted Amounts</u>			Variances with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
REVENUES				
Property taxes	\$ 31,400	\$ 31,400	\$ 30,832	\$ (568)
Investment earnings	9,500	10,311	13,774	3,463
TOTAL REVENUES	<u>40,900</u>	<u>41,711</u>	<u>44,606</u>	<u>2,895</u>
EXPENDITURES				
Current				
Community and economic development	<u>32,000</u>	<u>32,133</u>	<u>17,701</u>	<u>14,432</u>
NET CHANGE IN FUND BALANCE	8,900	9,578	26,905	17,327
Fund balance, beginning of year	<u>526,299</u>	<u>526,299</u>	<u>526,299</u>	<u>-</u>
Fund balance, end of year	<u>\$ 535,199</u>	<u>\$ 535,877</u>	<u>\$ 553,204</u>	<u>\$ 17,327</u>

VILLAGE OF VICKSBURG
SCHEDULE OF DEBT RETIREMENT AND ANNUAL INTEREST REQUIREMENTS
JUNE 30, 2025

\$3,480,000 2014 Capital improvement and refunding bonds issued September 23, 2014:

<u>Fiscal Year</u> <u>Ending</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Due</u> <u>Annually</u>
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
Total	<u>\$ 1,935,000</u>	<u>\$ 383,235</u>	<u>\$ 2,318,235</u>

	<u>Principal</u>	<u>Interest</u>	<u>Total Due</u> <u>Annually</u>
Allocation by activity:			
Governmental activities	\$ 350,000	\$ 68,800	\$ 418,800
Business-type activities	1,585,000	314,435	1,899,435
	<u>\$ 1,935,000</u>	<u>\$ 383,235</u>	<u>\$ 2,318,235</u>

VILLAGE OF VICKSBURG
SCHEDULE OF DEBT RETIREMENT AND ANNUAL INTEREST REQUIREMENTS
JUNE 30, 2025

\$7,595,000 2020 USDA Sewer bonds issued September 29, 2020:

<u>Fiscal Year Ending</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Due Annually</u>
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
Total	<u>\$ 6,634,175</u>	<u>\$ 1,920,918</u>	<u>\$ 8,555,093</u>

VILLAGE OF VICKSBURG
SCHEDULE OF DEBT RETIREMENT AND ANNUAL INTEREST REQUIREMENTS
JUNE 30, 2025

\$1,388,000 2020 USDA Water series A bonds issued September 29, 2020:

<u>Fiscal Year</u> <u>Ending</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Due</u> <u>Annually</u>
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
Total	<u>\$ 1,291,000</u>	<u>\$ 379,125</u>	<u>\$ 1,670,125</u>

VILLAGE OF VICKSBURG
SCHEDULE OF DEBT RETIREMENT AND ANNUAL INTEREST REQUIREMENTS
JUNE 30, 2025

\$841,000 2020 USDA Water series B bonds issued September 29, 2020:

<u>Fiscal Year</u> <u>Ending</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Due</u> <u>Annually</u>
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
Total	<u>\$ 795,000</u>	<u>\$ 235,815</u>	<u>\$ 1,030,815</u>

VILLAGE OF VICKSBURG
SCHEDULE OF DEBT RETIREMENT AND ANNUAL INTEREST REQUIREMENTS
JUNE 30, 2025

\$1,402,000 2020 Capital improvement USDA bonds issued September 29, 2020:

<u>Fiscal Year</u> <u>Ending</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Due</u> <u>Annually</u>
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	20,652	736	21,388
Total	\$ 1,275,652	\$ 400,634	\$ 1,676,286



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**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, 2025, and the related notes to the financial statements, which collectively comprise Village's basic financial statements and have issued our report thereon dated December 15, 2025.

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.

Maney Costeiran PC

December 15, 2025

