

VILLAGE OF PINCKNEY

FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

VILLAGE OF PINCKNEY

OFFICIALS

President - Jeffrey Buerman
Treasurer - Tabitha Dolan
Clerk - Andrea McCall

VILLAGE COUNCIL

Justin Bierman
Jeffrey Buerman
Stacy Conquest
Rob Coopersmith
Keri Hochertz
Nick Kane
Jo Self

VILLAGE ATTORNEY

Cohl, Stoker, & Toskey, P.C.

VILLAGE AUDITORS

Pfeffer, Hanniford & Palka
Certified Public Accountants

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INDEPENDENT AUDITORS' REPORT

December 8, 2025

To the Village Council
Village of Pinckney
220 South Howell St.
Pinckney, MI 48169

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, discretely presented component unit, each major fund, and the aggregate remaining fund information of the Village of Pinckney, Michigan, as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the Village's basic financial statements as listed in the table of contents. In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, discretely presented component unit, each major fund, and the aggregate remaining fund information of the Village of Pinckney, Michigan, 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 (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Village and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Village's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS 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 GAAS, we:

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Village's internal control. Accordingly, no such opinion is expressed.
- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Village's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 8-15 and 62-70 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Village's basic financial statements. The accompanying supplementary information such as the combining and individual fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Pfeffer, Hanniford & Palka, P.C.

PFEFFER, HANNIFORD & PALKA

Certified Public Accountants

Brighton, MI

MANAGEMENT DISCUSSION AND ANALYSIS

Management Discussion and Analysis

June 30, 2025

Within this section of the Village of Pinckney's annual financial report, the Village's management is providing a narrative discussion and analysis of the financial activities of the Village for the year ended June 30, 2025. This narrative discusses and analyzes the activity within the context of the accompanying financial statements and disclosures following this section. The discussion focuses on the Village's primary government and, unless otherwise noted, component units reported separately from the primary government are not included.

Financial Highlights

The assets of the Village exceeded its liabilities at the close of the most recent fiscal year by \$15,368,288 (net position). Of this amount, \$5,334,309 (unrestricted) may be used to meet the government's ongoing obligations to citizens and creditors.

The government's total net assets increased by \$1,842,572.

As of the close of the current fiscal year, the Village's governmental funds reported combined ending fund balances of \$4,122,126, an increase of \$1,807,840 in comparison with the prior year. The combined ending fund balance consists of non-spendable items (2.4%), restricted amounts (41.2%), committed amounts per Village Council (2.4%), assigned amounts (11.7%), and unassigned fund balance of \$1,744,661 (42.3%) which is available for spending at the government's discretion.

The Village of Pinckney's total long-term obligations decreased by \$129,999 during the current year, as a result of annual principal payments of \$115,000 and an overall decrease in compensated absences of \$14,999.

Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to the Village of Pinckney's basic financial statements. The basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to financial statements. The Village also includes in this report additional information to supplement the basic financial statements.

Government-wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the Village's finances, in a manner similar to private sector business. The Village's annual reports include two government-wide financial statements (Statement of Net Position and Statement of Activities). Financial reporting at this level uses a perspective similar to that found in the private sector with its basis in full accrual accounting and elimination or reclassification of internal activities.

The Statement of Net Position presents information on all of the Village's assets and liabilities, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Village as a whole is improving or deteriorating. Evaluation of the overall health of the Village may extend to various non-financial factors as well.

The Statement of Activities presents information showing how the Village's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the change occurs, regardless of the timing of related cash flows. The design of this statement is to show the financial reliance of the Village's distinct activities or functions on the revenues generated by the Village.

Both of the government-wide financial statements distinguish functions of the Village that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). Governmental activities include such activities as general government, public works (including major and local streets), public safety, and cemetery. Business-type activities include water and sewer system operations. Fiduciary activities such as site plan review deposits are not included in the government-wide statements since these assets are not available to fund Village programs.

The government-wide financial statements include not only the Village (primary government), but also a legally separate entity, the Downtown Development Authority, which is a discretely presented component unit of the Village. Financial information for the component unit is reported separately from the financial information presented for the primary government.

The government-wide financial statements can be found on pages 18 - 19 of this report.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Village, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. Within the basic financial statements, fund financial statements focus on the Village's most significant funds rather than the Village as a whole. Major funds are separately reported while all others are combined into a single, aggregated presentation. Individual fund data for non-major funds is provided in the combining statements later in this report. All of the funds of the Village can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

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

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

The basic governmental fund financial statements can be found on pages 21 - 26 of this report.

Proprietary funds are used to account for operations for which the Village charges its customers for the services they are provided. Enterprise funds, the first type, are used to report the same functions presented as business-type activities in the government-wide financial statements. The Village of Pinckney uses enterprise funds to account for its sewage disposal system and water operations. Internal Service funds are the second type of proprietary funds, and are used to account for services provided internally. The Village of Pinckney does not have any Internal Service funds.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Sewer Disposal System and Water Funds, both of which are considered to be major funds of the Village.

The basic proprietary fund financial statements can be found on pages 27 - 29.

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

Notes to the financial statements

The accompanying notes to the financial statements provide information essential to a full understanding of both the government-wide and fund financial statements. They should be read thoroughly as part of any review of the Village's financial statements. The notes can be found on pages 31 - 60 of this report.

Other information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information.

Major funds are reported in the basic financial statements as discussed. Combining statements and schedules for nonmajor funds can be found on pages 75 - 78 of this report. Fund financial statements of component unit (DDA) can be found on pages 81 - 82.

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. The Village's net position at the end of the fiscal period was \$15,368,288. This is a \$1,842,572 increase over the net position of \$13,525,716 reported for the year ended June 30, 2024. A significant portion of the Village's net position, \$8,161,573 (53.11%), represents investment in capital assets (e.g. land, buildings, equipment and infrastructure), less any related debt that is still outstanding used to acquire those assets. These assets are used by the Village of Pinckney to provide public services to its citizens; consequently, these assets are not available for future spending. Although the Village's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

A portion of the Village's net position, \$1,872,406 (12.18%), represents resources that are subject to external restrictions on how they may be used both for the Village as a whole, as well as for its separate governmental and business-type activities. The remaining balance of unrestricted net position \$5,334,309 (34.71%) may be used to meet the Village's ongoing obligations to citizens and creditors.

The following tables provide a summary of the Village's financial activities, fiscal year end net position and changes in net position for the fiscal year:

Summary of Net Position

	Governmental Activities		Business-Type Activities		Total Primary Government	
	6/30/2025	6/30/2024	6/30/2025	6/30/2024	6/30/2025	6/30/2024
ASSETS						
Current and other assets	\$ 4,424,811	\$ 2,851,319	\$ 4,028,635	\$ 3,668,542	\$ 8,453,446	\$ 6,519,861
Capital assets	2,460,496	2,540,065	9,024,088	9,404,426	11,484,584	11,944,491
Total assets	6,885,307	5,391,384	13,052,723	13,072,968	19,938,030	18,464,352
DEFERRED OUTFLOW OF RESOURCES	159,966	228,170	51,052	66,245	211,018	294,415
LIABILITIES						
Other liabilities	271,273	363,851	135,713	76,735	406,986	440,586
Long-term liabilities	1,060,948	1,154,142	3,347,740	3,511,820	4,408,688	4,665,962
Total liabilities	1,332,221	1,517,993	3,483,453	3,588,555	4,815,674	5,106,548
DEFERRED INFLOW OF RESOURCES	(34,914)	126,503			(34,914)	126,503
NET POSITION						
Invested in capital assets, net of related debt	2,275,496	2,320,065	5,886,077	6,186,415	8,161,573	8,506,480
Restricted	1,698,522	1,273,662	173,884	152,254	1,872,406	1,425,916
Unrestricted	1,773,948	381,331	3,560,361	3,211,989	5,334,309	3,593,320
Total net position	\$ 5,747,966	\$ 3,975,058	\$ 9,620,322	\$ 9,550,658	\$ 15,368,288	\$ 13,525,716

Summary of Changes in Net Position

	Governmental Activities		Business-Type Activities		Total Primary Government	
	6/30/2025	6/30/2024	6/30/2025	6/30/2024	6/30/2025	6/30/2024
REVENUES:						
Program revenues:						
Charges for services	\$ 254,183	\$ 234,365	\$ 1,084,640	\$ 1,080,928	\$ 1,338,823	\$ 1,315,293
Operating grants and contributions	104,013	92,204			104,013	92,204
General revenues:						
Property taxes	1,102,440	1,044,767			1,102,440	1,044,767
State shared revenues	594,814	578,500			594,814	578,500
Grant revenue						
Interest income	93,437	84,203	120,908	116,253	214,345	200,456
Reimbursements	4,156	2,667			4,156	2,667
Sale of tower	1,551,413				1,551,413	
Other	316,362	457,471	32,605	61,194	348,967	518,665
Gain (loss) from disposal of capital assets	35,464		6,000		41,464	
Total revenues	4,056,282	2,494,177	1,244,153	1,258,375	5,300,435	3,752,552
EXPENSES						
General government	410,267	410,741			410,267	410,741
Public safety	759,111	613,420			759,111	613,420
Public works	991,661	2,319,059			991,661	2,319,059
Cemetery	23,294	29,660			23,294	29,660
Recreation and culture	1,971	1,972			1,971	1,972
Interest on long-term debt	5,281	6,156			5,281	6,156
Water system			479,601	430,754	479,601	430,754
Sewer system			769,922	831,293	769,922	831,293
Total expenses	2,191,585	3,381,008	1,249,523	1,262,047	3,441,108	4,643,055
Transfers in (out)	(75,034)	581	75,034	(581)		
Change in estimate	(16,755)	411			(16,755)	411
Change in net position	1,772,908	(885,839)	69,664	(4,253)	1,842,572	(890,092)
Beginning net position	3,975,058	4,860,897	9,550,658	9,554,911	13,525,716	14,415,808
Ending net position	\$ 5,747,966	\$ 3,975,058	\$ 9,620,322	\$ 9,550,658	\$ 15,368,288	\$ 13,525,716

Governmental activities increased the Village's net position by \$1,772,908. The \$1,772,908 increase is primarily due to the sale of the cell tower for approximately \$1,550,000. Business-type activities increased the Village's net position by \$69,664.

Financial Analysis of the Village's Major Funds

The Village's General Fund had revenues over expenditures, before other financing sources (uses), totaling \$1,355,490 this year.

The Village has four other major funds which are the General Highway Fund, Major Street Fund, Local Street Fund and American Rescue Plan Act Fund (ARPA Fund).

The General Highway Fund had revenues over expenditures, before other financing sources (uses), totaling \$309,612. This was primarily due to efficient management of road expenditures.

The Major Street Fund had revenues over expenditures, before other financing sources (uses), totaling \$44,002.

The Local Street Fund had revenues over expenditures, before other financing sources (uses), totaling \$66,374.

The American Rescue Plan Act Fund (ARPA Fund) accounts for receiving and spending the federal grants applicable to the American Rescue Act Plan. In fiscal 2025, the Village transferred \$75,599 to Water Fund for system improvements.

The Village's two major proprietary funds, Sewage Disposal System Fund and Village Water Fund, had an aggregated increase in net position of \$69,664. The net position of the Sewage Disposal System Fund increased by \$58,145. The net position of the Village Water Fund increased by \$11,519. The unrestricted net position of the combined proprietary funds at the end of the year amounted to \$3,560,361, restricted assets amounted to \$173,884, and capital assets net of related debt amounted to \$5,886,077.

General Fund Budgetary Highlights

The General Fund budget was adopted prior to the fiscal year in accordance with Public Act 493 of 2000. Some expenditures exceeded budgeted appropriations – see page 72. The budget was amended during the year to account for various differences between budget and actual.

Capital Assets and Debt Administration

Capital Assets

The Village's investment in capital assets for its governmental and business-type activities as of June 30, 2025 amounted to \$11,484,584 (net of accumulated depreciation). This investment in capital assets includes land, roads, buildings and improvements, machinery and equipment, and sewer and water infrastructure. Major capital asset additions during the current fiscal year included the following:

- 2024 Dodge Durango
- 2025 GMC Sierra Pickup
- Body cameras
- Speed signs
- Kubota commercial mower

The following table summarizes the capital assets for the Village as of year-end:

Capital Assets as of June 30, 2025

	Governmental Activities	Business-type Activities	Total Primary Government
Land	\$ 67,130	\$ 134,216	\$ 201,346
Construction in progress			
Buildings and improvements	764,934	291,570	1,056,504
Machinery and equipment	1,252,833	746,602	1,999,435
Road infrastructure	3,730,724		3,730,724
Sewer infrastructure		10,991,435	10,991,435
Water infrastructure		6,062,709	6,062,709
Vehicles		58,091	58,091
Subtotal	5,815,621	18,284,623	24,100,244
Accumulated depreciation	(3,355,125)	(9,260,535)	(12,615,660)
Net capital assets	\$ 2,460,496	\$ 9,024,088	\$ 11,484,584

Additional information on the Village's capital assets can be found in the Notes to Financial Statements section of this report.

Long-term Debt

At the end of the current fiscal year, the Village had total bonded debt and lease payables of \$3,323,011. The Village's total debt (excluding compensated absences) decreased by \$115,000 due to repayments on existing debt.

Additional information on the Village's long-term debt can be found in the Notes to Financial Statements section of this report.

Economic Conditions and Future Activities

The following factors were considered in preparing the Village's budget for the 2025-26 fiscal year:

- The labor agreement with the Police Officers Labor Council contains annual contractual rate increases. The current contract is undergoing amendments and is expected to be signed this week and runs from July 1 2025, to June 30,2027.
- The Village is anticipating property tax revenue for its General Fund to show a modest increase for the next fiscal year. Due to the headlee rollback operating millage dropped from a rate at 8.0587 to 8.0006. The General Highway millage is 3.9675 mils. The total millage rate is 11.9681 mills for 2025-2026.
- Only one project was approved for 2025-2026 fiscal year and that is the pavement for the Putnam Mill Fill.
- Remaining ARPA funds have been earmarked to be spent on the purchase of new meters for water/sewer, \$5,000 to revitalize the Village Depot into a trailside café and bicycle rental, any remaining funds will be used for engineering for the pathway from the Lakeland's trail to the high school.

Contacting the Village's Financial Management

This financial report is designed to provide a general overview of the Village's financial position and comply with finance-related regulations. If you have any further questions about this report or request additional information please contact the Village of Pinckney at 220 S. Howell Street, Pinckney, Michigan, 48169.

BASIC FINANCIAL STATEMENTS

GOVERNMENT - WIDE FINANCIAL STATEMENTS

VILLAGE OF PINCKNEY

STATEMENT OF NET POSITION
JUNE 30, 2025

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	
ASSETS				
Cash, cash equivalents and investments	\$ 4,071,314	\$ 3,269,075	\$ 7,340,389	\$ 398,776
Receivables:				
Accounts	117,529	526,188	643,717	
Other governments	95,842		95,842	
Miscellaneous	2,332		2,332	
Prepaid expenses	42,879	7,740	50,619	
Inventory		51,748	51,748	
Net other post employment benefits obligation	94,915		94,915	
Restricted:				
Cash and cash equivalents		172,129	172,129	
Special assessments receivable		1,755	1,755	
Capital assets:				
Non-depreciable	67,130	134,216	201,346	96,665
Depreciable, net	2,393,366	8,889,872	11,283,238	258,755
Total assets	6,885,307	13,052,723	19,938,030	754,196
DEFERRED OUTFLOW OF RESOURCES				
Pension asset, net	159,966	51,052	211,018	1,577
LIABILITIES				
Accounts payable and accrued expenses	105,465	42,275	147,740	545
Due to others	22,958		22,958	
Unearned revenue	79,347		79,347	
Long-term obligations:				
Compensated absences	28,503	12,438	40,941	
Current portion of long-term debt	35,000	81,000	116,000	
Net pension liability	910,948	290,729	1,201,677	8,981
Other due in more than one year	150,000	3,057,011	3,207,011	
Total liabilities	1,332,221	3,483,453	4,815,674	9,526
DEFERRED INFLOW OF RESOURCES				
OPEB liability, net	(34,914)		(34,914)	
Total deferred inflow of resources	(34,914)		(34,914)	
NET POSITION				
Net investment in capital assets	2,275,496	5,886,077	8,161,573	355,420
Restricted:				
Public safety	108,061		108,061	
Public works	1,590,461		1,590,461	
USDA Revenue Bond, Series 2018 Bond and Interest Redemption Reserve		81,902	81,902	
USDA Revenue Bond, Series 2020 Bond and Interest Redemption Reserve		1,788	1,788	
USDA Revenue Bond, Series 2018 Repair, Replacement, Improvement Reserve		88,439	88,439	
Special Assessments		1,755	1,755	
Unrestricted	1,773,948	3,560,361	5,334,309	390,827
Total net position	\$ 5,747,966	\$ 9,620,322	\$ 15,368,288	\$ 746,247

The notes are an integral part of the financial statements.

VILLAGE OF PINCKNEY

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2025

Functions/Programs	Expenses	Programs Revenues		Net (Expenses) Revenue and Changes in Net Position			Component Unit
		Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-type Activities	Total	
PRIMARY GOVERNMENT							
Governmental Activities							
General government	\$ (410,267)	\$	\$ 104,013	\$ (306,254)	\$	\$ (306,254)	\$
Public safety	(759,111)			(759,111)		(759,111)	
Public works	(991,661)			(991,661)		(991,661)	
Cemetery	(23,294)	254,183		230,889		230,889	
Recreation and culture	(1,971)			(1,971)		(1,971)	
Interest on long-term debt	(5,281)			(5,281)		(5,281)	
Total governmental activities	<u>(2,191,585)</u>	<u>254,183</u>	<u>104,013</u>	<u>(1,833,389)</u>		<u>(1,833,389)</u>	
Business-type Activities							
Water system	(479,601)	344,046			(135,555)	(135,555)	
Sewer system	(769,922)	740,594			(29,328)	(29,328)	
Total business-type activities	<u>(1,249,523)</u>	<u>1,084,640</u>			<u>(164,883)</u>	<u>(164,883)</u>	
Total primary government	<u>\$ (3,441,108)</u>	<u>\$ 1,338,823</u>	<u>\$ 104,013</u>	<u>(1,833,389)</u>	<u>(164,883)</u>	<u>(1,998,272)</u>	
COMPONENT UNIT							
Downtown Development Authority	<u>\$ (206,946)</u>	<u>\$ 1,872</u>	<u>\$</u>				(205,074)
		General revenues:					
				1,102,440		1,102,440	190,193
				594,814		594,814	883
				93,437	120,908	214,345	4,670
				57,378		57,378	
				4,156		4,156	
				35,464	6,000	41,464	
				1,551,413		1,551,413	
				258,984	32,605	291,589	1,015
				<u>3,698,086</u>	<u>159,513</u>	<u>3,857,599</u>	<u>196,761</u>
				(75,034)	75,034		
				(16,755)		(16,755)	
				1,772,908	69,664	1,842,572	(8,313)
				<u>3,975,058</u>	<u>9,550,658</u>	<u>13,525,716</u>	<u>725,968</u>
				<u>\$ 5,747,966</u>	<u>\$ 9,620,322</u>	<u>\$ 15,368,288</u>	<u>\$ 717,655</u>

FUND FINANCIAL STATEMENTS

VILLAGE OF PINCKNEY

**BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2025**

	General Fund	Major Street Fund	Local Street Fund	General Highway Fund	ARPA Fund	Nonmajor Funds	Total
ASSETS							
Cash, cash equivalents and investments	\$ 2,351,867	\$ 412,169	\$ 431,450	\$ 718,935	\$	\$ 156,893	\$ 4,071,314
Receivables							
Services						117,529	117,529
Intergovernmental	44,851	35,723	15,268				95,842
Miscellaneous		1,232	1,100				2,332
Due from other funds					79,347		79,347
Prepaid expenditures	42,341	50	78			410	42,879
Total assets	<u>\$ 2,439,059</u>	<u>\$ 449,174</u>	<u>\$ 447,896</u>	<u>\$ 718,935</u>	<u>\$ 79,347</u>	<u>\$ 274,832</u>	<u>\$ 4,409,243</u>
LIABILITIES							
Accounts payable and accrued expenses	\$ 71,409	\$ 10,225	\$ 4,266	\$ 8,830	\$	\$ 10,735	\$ 105,465
Due to others	22,958						22,958
Unearned revenues					79,347		79,347
Due to other funds	79,347						79,347
Total liabilities	<u>173,714</u>	<u>10,225</u>	<u>4,266</u>	<u>8,830</u>	<u>79,347</u>	<u>10,735</u>	<u>287,117</u>
FUND BALANCES							
Nonspendable							
Prepaid items	42,341	50	78			410	42,879
Corpus of permanent fund						57,292	57,292
Restricted							
Public safety						108,061	108,061
Public works		438,899	441,457	710,105			1,590,461
Committed							
Cemetery						98,334	98,334
Assigned							
Future budget deficit	478,343		2,095				480,438
Unassigned	1,744,661						1,744,661
Total fund balances	<u>2,265,345</u>	<u>438,949</u>	<u>443,630</u>	<u>710,105</u>		<u>264,097</u>	<u>4,122,126</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 2,439,059</u>	<u>\$ 449,174</u>	<u>\$ 447,896</u>	<u>\$ 718,935</u>	<u>\$ 79,347</u>	<u>\$ 274,832</u>	<u>\$ 4,409,243</u>

The notes are an integral part of the financial statements.

VILLAGE OF PINCKNEY

RECONCILIATION OF THE GOVERNMENTAL BALANCE SHEET TO THE GOVERNMENTAL ACTIVITIES
STATEMENT OF NET POSITION
JUNE 30, 2025

Total governmental fund balances \$ 4,122,126

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

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The amount is net of accumulated depreciation of \$3,355,125: 2,460,496

Long-term liabilities, including bonds payable, compensated absences and other post employment benefit obligations, are not due and payable in the current period and, therefore, are not reported in the funds:

Bonds payable	\$ (185,000)	
Other post-employment benefits	94,915	
Compensated absences	(28,503)	
Net pension liability	(910,948)	
Deferred outflows related to net pension liability	159,966	
Deferred inflows related to OPEB liability	34,914	
		(834,656)

Net position of governmental activities \$ 5,747,966

The notes are an integral part of the financial statements.

VILLAGE OF PINCKNEY

RECONCILIATION OF TOTAL DOWNTOWN DEVELOPMENT AUTHORITY
COMPONENT UNIT FUND BALANCES TO NET POSITION
OF DOWNTOWN DEVELOPMENT AUTHORITY ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2025

Total component unit fund balances		\$	369,639
Amounts reported for governmental activities in the statement of net position because:			
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The amount is net of accumulated depreciation of \$364,916:			
			355,420
Long-term liabilities, including bonds payable, compensated absences and other post employment benefit obligations, are not due and payable in the current period and, therefore, are not reported in the funds:			
Net pension liability	\$	(8,981)	
Deferred outflows related to net pension liability		<u>1,577</u>	
			<u>(7,404)</u>
Net position of governmental activities		\$	<u><u>717,655</u></u>

The notes are an integral part of the financial statements.

VILLAGE OF PINCKNEY
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2025

	General Fund	Major Street Fund	Local Street Fund	General Highway Fund	ARPA Fund	Nonmajor Funds	Total
REVENUES							
Taxes	\$ 737,426	\$	\$	\$ 365,014	\$	\$	\$ 1,102,440
State revenues	272,590	224,113	95,788	2,323			594,814
Charges for services						254,183	254,183
Charges to other governments and funds	171,108						171,108
Grants	6,839		21,575		75,599		104,013
Rents	57,378						57,378
Licenses, fines and permits	52,438			3,100			55,538
Interest	44,714	16,057	6,390	21,354		4,922	93,437
Reimbursements	4,156						4,156
Sale of tower	1,551,413						1,551,413
Other	19,499	2,437					21,936
Right of way fees				10,402			10,402
Total revenues	<u>2,917,561</u>	<u>242,607</u>	<u>123,753</u>	<u>402,193</u>	<u>75,599</u>	<u>259,105</u>	<u>4,020,818</u>
EXPENDITURES							
Current:							
General government	407,592						407,592
Public safety	664,241						664,241
Public works	322,566	80,255	57,379	52,300		234,381	746,881
Cemetery						23,172	23,172
Capital outlay:							
Cemetery							
General government	167,672						167,672
Public works		118,350					118,350
Debt service:							
Principal				35,000			35,000
Interest and fiscal charges				5,281			5,281
Total expenditures	<u>1,562,071</u>	<u>198,605</u>	<u>57,379</u>	<u>92,581</u>		<u>257,553</u>	<u>2,168,189</u>
Excess of revenues over (under) expenditures	1,355,490	44,002	66,374	309,612	75,599	1,552	1,852,629
OTHER FINANCING SOURCES (USES)							
Proceeds from sale of capital assets	47,000						47,000
Transfers in	565	130,000	108,882				239,447
Transfers (out)		(108,882)		(130,000)	(75,599)		(314,481)
Total other financing sources (uses)	<u>47,565</u>	<u>21,118</u>	<u>108,882</u>	<u>(130,000)</u>	<u>(75,599)</u>		<u>(28,034)</u>
Change in estimate	(16,755)						(16,755)
Net changes in fund balances	1,386,300	65,120	175,256	179,612		1,552	1,807,840
FUND BALANCE, JULY 1, 2024	879,045	373,829	268,374	530,493		262,545	2,314,286
FUND BALANCE, JUNE 30, 2025	<u>\$ 2,265,345</u>	<u>\$ 438,949</u>	<u>\$ 443,630</u>	<u>\$ 710,105</u>		<u>\$ 264,097</u>	<u>\$ 4,122,126</u>

The notes are an integral part of the financial statements.

VILLAGE OF PINCKNEY

**RECONCILIATION OF STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2025**

Net change in fund balances - governmental funds \$ 1,807,840

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

Government funds report capital outlay as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. The amount by which capital outlays exceeded depreciation expense in the current period:

Capital outlay	\$	286,022	
Depreciation expense		(354,055)	
Proceeds on sale of assets		(47,000)	
Gain (loss) on sale of assets		<u>35,464</u>	
			(79,569)

Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of position:

35,000

Some expenses reported in the statement of activities do not require the use of current financial resources and therefore, are not reported as expenditures in the governmental funds:

Compensated absences		12,577	
Change in net pension obligation		(10,010)	
Change in net OPEB obligation		<u>7,070</u>	
			<u>9,637</u>

Change in net position of governmental activities \$ 1,772,908

The notes are an integral part of the financial statements.

VILLAGE OF PINCKNEY

RECONCILIATION OF STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE OF DOWNTOWN DEVELOPMENT AUTHORITY
COMPONENT UNIT TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2025

Net change in fund balances - governmental funds	\$ 18,263
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Amounts reported for governmental activities in the statement of activities are different because:

Government funds report capital outlay as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. The amount by which capital outlays exceeded depreciation expense in the current period:

Depreciation expense	(25,360)
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Some expenses reported in the statement of activities do not require the use of current financial resources and therefore, are not reported as expenditures in the governmental funds:

Net pension liability	<u>(1,216)</u>
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Change in net position of component unit activities	<u><u>\$ (8,313)</u></u>
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The notes are an integral part of the financial statements.

VILLAGE OF PINCKNEY

STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2025

	Sewage Disposal System Fund	Village Water Fund	Totals
CURRENT ASSETS			
Cash and cash equivalents	\$ 1,414,362	\$ 1,243,869	\$ 2,658,231
Investments	321,789	289,055	610,844
Accounts receivable	371,448	154,740	526,188
Prepaid expenses	5,033	2,707	7,740
Inventory		51,748	51,748
Total current assets	2,112,632	1,742,119	3,854,751
NONCURRENT ASSETS			
Restricted cash and cash equivalents	172,129		172,129
Restricted special assessment receivable	1,755		1,755
Capital assets not being depreciated	134,216		134,216
Capital assets being depreciated	6,163,226	2,726,646	8,889,872
Total noncurrent assets	6,471,326	2,726,646	9,197,972
Total assets	8,583,958	4,468,765	13,052,723
DEFERRED OUTFLOW OF RESOURCES			
Deferred charge on pension liability	24,688	26,364	51,052
Total assets and deferred outflow	8,608,646	4,495,129	13,103,775
CURRENT LIABILITIES			
Accounts payable and accrued expenses	37,364	17,349	54,713
Bonds payable - current portion	81,000		81,000
Total current liabilities	118,364	17,349	135,713
LONG-TERM OBLIGATIONS			
Net pension liability	140,590	150,139	290,729
Bonds payable	3,057,011		3,057,011
Total long-term obligations	3,197,601	150,139	3,347,740
Total liabilities	3,315,965	167,488	3,483,453
NET POSITION			
Invested in capital assets, net of related debt	3,159,431	2,726,646	5,886,077
Restricted:			
USDA Revenue Bond, Series 2018 Bond and Interest Redemption Reserve	81,902		81,902
USDA Revenue Bond, Series 2020 Bond and Interest Redemption Reserve	1,788		1,788
USDA Revenue Bond, Series 2018 Repair, Replacement, Improvement Reserve	88,439		88,439
Special assessments	1,755		1,755
Unrestricted	1,959,366	1,600,995	3,560,361
Total net position	\$ 5,292,681	\$ 4,327,641	\$ 9,620,322

The notes are an integral part of the financial statements.

VILLAGE OF PINCKNEY

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

	Sewage Disposal System Fund	Village Water Fund	Totals
OPERATING REVENUES			
Charges for services	\$ 740,594	\$ 344,046	\$ 1,084,640
OPERATING EXPENSES	<u>698,087</u>	<u>479,601</u>	<u>1,177,688</u>
Operating income (loss)	<u>42,507</u>	<u>(135,555)</u>	<u>(93,048)</u>
NON-OPERATING REVENUES (EXPENSES)			
Interest income	64,113	56,795	120,908
Interest (expense)	(71,835)		(71,835)
Gain on disposal of asset	6,000		6,000
Other income	<u>18,256</u>	<u>14,349</u>	<u>32,605</u>
Total non-operating revenues	<u>16,534</u>	<u>71,144</u>	<u>87,678</u>
TRANSFERS IN (OUT)	(896)	75,930	75,034
Change in net position	58,145	11,519	69,664
NET POSITION JULY 1, 2024	<u>5,234,536</u>	<u>4,316,122</u>	<u>9,550,658</u>
NET POSITION JUNE 30, 2025	<u><u>\$ 5,292,681</u></u>	<u><u>\$ 4,327,641</u></u>	<u><u>\$ 9,620,322</u></u>

The notes are an integral part of the financial statements.

VILLAGE OF PINCKNEY
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
JUNE 30, 2025

	Sewage Disposal System Fund	Village Water Fund	Totals
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash receipts from customers	\$ 718,796	\$ 332,503	\$ 1,051,299
Cash payments to employees for services	(93,970)	(80,693)	(174,663)
Cash payments to suppliers of goods and services	(350,471)	(195,970)	(546,441)
Net cash provided by operating activities	<u>274,355</u>	<u>55,840</u>	<u>330,195</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Investment activity	(39,310)	15,035	(24,275)
Purchase of fixed assets	(19,609)	(75,599)	(95,208)
Special assessments collected	(1,755)		(1,755)
Principal and interest paid on capital debt	(151,835)		(151,835)
Other (expense) income	18,256	14,349	32,605
Net cash (used in) capital and related financing activities	<u>(194,253)</u>	<u>(46,215)</u>	<u>(240,468)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest on cash and cash equivalents	46,722	50,477	97,199
Net increase in cash and cash equivalents	126,824	60,102	186,926
CASH AND CASH EQUIVALENTS AT JULY 1, 2024	<u>1,459,667</u>	<u>1,183,767</u>	<u>2,643,434</u>
CASH AND CASH EQUIVALENTS AT JUNE 30, 2025	<u><u>\$ 1,586,491</u></u>	<u><u>\$ 1,243,869</u></u>	<u><u>\$ 2,830,360</u></u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FROM OPERATING ACTIVITIES			
Operating income (loss)	\$ 42,507	\$ (135,555)	\$ (93,048)
Adjustments to reconcile operating income to net cash from (used in) operating activities			
Depreciation	293,369	182,177	475,546
Gain on disposal	(6,000)		(6,000)
Pension	(2,250)	26,801	24,551
Changes in assets and liabilities			
(Increase) decrease in accounts receivable	(21,798)	(11,543)	(33,341)
(Increase) decrease in prepaid expenses	(444)	(175)	(619)
(Increase) decrease in inventory		(2,434)	(2,434)
(Decrease) increase in accounts payable	(31,029)	(821)	(31,850)
(Decrease) increase in due to other funds			
(Decrease) increase in accrued expense		(2,610)	(2,610)
Total adjustments	<u>231,848</u>	<u>191,395</u>	<u>423,243</u>
Net cash from operating activities	<u><u>\$ 274,355</u></u>	<u><u>\$ 55,840</u></u>	<u><u>\$ 330,195</u></u>

The notes are an integral part of the financial statements.

NOTES TO FINANCIAL STATEMENTS

VILLAGE OF PINCKNEY

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2025

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting and reporting policies of the Village relating to the funds and account groups included in the accompanying combined financial statements conform to generally accepted accounting principles applicable to state and local governments. The more significant accounting policies of the Village are described below.

FINANCIAL REPORTING ENTITY

The Village of Pinckney was incorporated in 1895 as a general law Village, under the provision of Public Act 3 of 1895. The Village operates under a council form of government. The Village provides a wide range of services to its residents, including public safety, public works, zoning, water provision, sewage disposal, and other general administrative services.

The following financial statements present the government and its component unit, an entity for which the government is considered to be financially accountable. Component units fall in one of two categories; blended or discretely presented. The Village does not have any component units in the blended component unit category and has one component unit in the discretely presented category.

The discretely presented component unit is reported in a separate column in the government-wide financial statements to emphasize that it is legally separate from the Village. This presentation is necessary to demonstrate that while legally separate, the Village remains financially accountable for this entity or the nature and significance of the relationship between the entities is such that exclusion would make the financial statements misleading.

The Downtown Development Authority (DDA) has been included as a discretely presented component unit in the accompanying financial statements. The governing body of the DDA is appointed by the Village Council and the Council has the ability to exercise oversight on DDA management. The DDA is legally separate from the Village but fiscally dependent on the Village to a limited extent. The financial activity of the DDA is included in these financial statements and a separate audited financial statement for the DDA is not prepared. The DDA has the same fiscal year as the primary government.

In accordance with the current accounting standards all funds, agencies, activities and component units of the Village of Pinckney have been included in these financial statements.

GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

Government-wide Financial Statements

The government-wide financial statements (Statement of Net Position and Statement of Activities) report on all the non-fiduciary activities of the primary government and its component unit. The primary government is reported separately from its discretely presented component unit. 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. All activities, both governmental and business-type, are reported in the government-wide financial statements using the economic resources measurement focus and the accrual basis of accounting, which includes long-term assets and receivables as well as long-term debt and obligations. The government-wide financial statements focus more on the sustainability of the Village as an entity and the change in aggregate financial position resulting from the activities of the fiscal period.

VILLAGE OF PINCKNEY

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2025

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

Generally, the effect of interfund activity has been removed from the government-wide financial statements. Net interfund activity and balances between governmental activities and business-type activities are shown in the government-wide financial statements.

The Government-wide Statement of Net Position reports all financial and capital resources of the Village (excluding fiduciary funds). It is displayed in a format of assets and deferred outflows of resources less liabilities and deferred inflows of resources equals net position, with the assets, deferred outflows and liabilities and deferred inflows shown in order of their relative liquidity. Net positions are required to be displayed in three components: invested in capital assets, net of related debt; restricted; and unrestricted.

The Government-Wide Statement of Activities demonstrates the degree to which both direct and indirect expenses of the various functions and programs of the Village are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or identifiable activity. Indirect expenses for administrative overhead are allocated among the functions and activities using a full cost allocation approach and are presented separately to enhance comparability of direct expenses between governments that allocate direct expenses and those that do not. Interest on general long-term debt is not allocated to the various functions. Program revenues include: charges to customers or users who purchase, use or directly benefit from goods, services or privileges provided by a particular function or program as well as grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or program. Taxes, unrestricted investment income and other revenues not identifiable with particular functions or programs are included as general revenues. The general revenues support the net costs of the functions and programs not covered by program revenues.

Fund Financial Statements

Also, part of the basic financial statements is fund financial statements for governmental funds and proprietary funds. The focus of the fund financial statements is on major funds. Although current accounting standards established the minimum criteria for determination of major funds (a percentage of assets, liabilities, revenues, or expenditures/expenses of fund category and of the governmental and enterprise funds combined), it also gives governments the option of displaying other funds as major funds. Other non-major funds are combined in a single column on the fund financial statements.

The Village reports the following major governmental funds:

The **General Fund** is the Village's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The **Major Street Fund** accounts for all the activity associated with maintaining the Village's major streets. Revenues from this fund are generally derived by intergovernmental revenues and transfers of resources within the Village itself.

The **Local Street Fund** accounts for all the activity associated with maintaining the Village's local streets. Revenues from this fund are generally derived by intergovernmental revenues and transfers of resources within the Village itself.

VILLAGE OF PINCKNEY

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2025

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

The **General Highway Fund** accounts for road millage revenues, general road maintenance expenditures, and transfers to other funds to finance various road construction and maintenance activities.

The **American Rescue Plan Act Fund (ARPA Fund)** accounts for receiving and spending the federal grants applicable to the American Rescue Plan Act.

The Village reports the following major proprietary funds:

The **Sewage Disposal System Fund** accounts for all the activity associated with the operations and maintenance of operating a sewage treatment system.

The **Village Water Fund** accounts for all the activity associated with the operations and maintenance of operating a water distribution system.

The Village also reports an agency fund as a fiduciary fund to account for assets held by the Village in a trustee or agency capacity on behalf of others and, therefore, are not available to support Village programs. Fiduciary funds are not included in the government-wide financial statements as they are not an asset of the Village available to support Village programs. The Village currently maintains agency funds to account for property tax collections and disbursement and for monies collected and paid on behalf of developer escrow accounts.

MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

The financial reporting of transactions is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as current financial resources or economic resources. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

The government-wide financial statements are reported using the economic resources measurement focus and the full accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when incurred without regard to timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar non-exchange revenues are recognized as revenue as soon as all eligibility requirements imposed by the resource provider have been met.

The governmental fund financial statements are reported using the current financial resources measurement focus and modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal year. Expenditures are generally recorded when a liability is incurred. However, debt service expenditures, expenditures related to compensated absences, and claims and judgments are only recorded when they are due. General capital asset acquisitions are reported as expenditures in the governmental funds in a similar manner to any other expenditure. Financial resources received by the issuance of long-term debt or acquisitions under capital leases are reported as other financing sources.

With this measurement focus, operating statements present increases and decreases in net current assets and unreserved fund balance as a measure of available resources.

VILLAGE OF PINCKNEY

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2025

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

This is the traditional basis of accounting for governmental funds and also is the manner in which these funds are normally budgeted. This presentation is deemed most appropriate to: demonstrate legal and covenant compliance, demonstrate the sources and uses of liquid resources, and demonstrate how the Village's actual revenues and expenditures conform to the annual budget. Since the governmental fund financial statements are presented on a different basis than the governmental activities column of the government-wide financial statements, reconciliation is provided immediately following each fund statement. These reconciliations briefly explain the adjustments necessary to transform the fund financial statements into the governmental activities column of the government-wide financial statements.

The proprietary funds financial statements are reported using the economic resources measurement focus and full accrual basis of accounting. On the proprietary fund financial statements, operating revenues are those that flow directly from the operations of the activity, i.e. charges to customers or users who purchase or use the goods or services of that activity. Operating expenses are those that are incurred to provide those goods or services. Non-operating revenues and expenses are items such as investment income and interest expense that are not a result of the direct operations of the activity.

In situations when expenditures or expenses are incurred for which both restricted and unrestricted resources are available the Village would first apply restricted resources then unrestricted resources.

ASSETS, DEFERRED OUTFLOW, LIABILITIES, DEFERRED INFLOW, NET POSITION AND FUND BALANCE

Cash and Cash Equivalents

The Village has defined cash and cash equivalents as cash on hand, demand deposits, and all highly liquid investments (including restricted assets) with a maturity of three months or less when purchased. These amounts are classified on the statement of net position or fund balance sheet within cash and cash equivalents.

Receivables and Payables

In the government-wide financial statements and proprietary fund financial statements, receivables consist of all revenues earned at year-end and not received. Allowances for uncollectible accounts receivable, if any, are based upon historical trends and the periodic aging of accounts receivable. In the governmental fund financial statements receivables are recorded when they are both measurable and available. Payables consist of all expenses incurred at year-end and not yet paid.

Capital Assets

Capital assets, including public domain infrastructure (e.g., roads, bridges, sidewalks and other assets that are immovable and of value only to the Village) are defined as assets with an initial, individual cost of more than \$5,000 and an estimated useful life greater than one year. Capital assets are recorded at cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at the estimated fair market value at the date of donation. Real property is considered capital assets regardless of initial cost, but is not depreciated.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Major improvements are capitalized and depreciated over the remaining useful lives of the related capital assets.

VILLAGE OF PINCKNEY

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

Capital assets are depreciated using the straight-line method over the following estimated useful lives:

Buildings, structures and improvements	5 to 50 years
Utility plant	5 to 50 years
Machinery and equipment	2 to 40 years
Infrastructure	25 to 75 years

Inventories

Inventories are valued at cost, which approximates market, using the first-in, and first-out method. Inventory consists of expendable supplies held for consumption. Inventories are capitalized under the consumption method, whereby expenditures are capitalized as inventory until used.

Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements. The cost of prepaid items is recorded as expenditures when consumed rather than when purchased.

Deferred Outflow of Resources

In addition to assets, the statement of net position or fund balance sheets may sometimes report a separate section for deferred outflow of resources. This separate financial statement element, deferred outflow of resources, represents a consumption of net position of fund balance that applies to a future period and so will not be recognized as an outflow of resources (expense or expenditure) until then. The Village currently has one item that qualifies for reporting in this category.

Compensated Absences

It is the Village's personnel practice to grant personal and vacation time according to years of service. Vacation days must be used within twelve months of accrual. It is the Village's policy to pay employees upon leaving the employment of the Village for unused vacation time that has been earned through the last day of work. A liability for compensated absences is recorded when incurred in the government-wide and proprietary fund financial statements; however, a liability is only accrued in the governmental funds as payments come due, for example, as a result of employee resignations and retirements. As of June 30, 2025 the Village has accrued \$38,519 for future compensated absences.

Long-term Obligations

Balances due on long-term obligations are only recorded in the government-wide financial statements and proprietary fund financial statements. Long-term obligations consist of bonds payable, capital lease obligations, and compensated absences. Bond premiums and discounts, if any, are deferred and amortized over the life of the bond using the effective interest method. Bond issuance costs are charged to expense when incurred. In the fund financial statements, bond premiums are recognized as other financing sources, bond discounts as other financing uses, the face amount of the debt as other financing sources and debt issuance costs as expenditures.

VILLAGE OF PINCKNEY

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2025

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

Deferred Inflow of Resources

In addition to liabilities, the statement of net position or fund balance sheets may sometimes report a separate section of deferred inflow of resources. This separate financial statement element, deferred inflow of resources, represents an acquisition of net position or fund balance that applies to a future period and so will not be recognized as an inflow of resources until that time. The Village currently has one item that qualifies for reporting in this category.

Defined Benefit Pension Plans

For purposes of measuring the Net Pension Liability, deferred outflow of resources and deferred inflow 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.

Defined Benefit Other Post Employment Benefit (OPEB) Plans

For purposes of measuring the net OPEB liability or asset, deferred outflows and inflows of resources related to OPEB, and OPEB expenses, information about the fiduciary net position of the Village of Pinckney Retiree Health Plan and additions to and deductions from the Village's fiduciary net position have been determined on the same basis as they are reported by the Village of Pinckney. For these purposes, benefit payments are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Fund Equity

In the fund financial statements, governmental funds report the following components of fund balance:

- *Nonspendable:* Amounts that are not in spendable form or are legally or contractually required to be maintained intact.
- *Restricted:* Amounts that are legally restricted by outside parties, constitutional provisions, or enabling legislation for use for a specific purpose.
- *Committed:* Amounts that have been formally set aside by the Village Council for use for specific purposes. Commitments are made and can be rescinded only via resolution of the Village Council.
- *Assigned:* Intent to spend resources on specific purposes expressed by the Village Council; or Clerk, and Treasurer; who are authorized by policy approved by the Village Council to make assignments.
- *Unassigned:* Amounts that do not fall into any other aforementioned category. This is the residual classification for amounts in the General Fund and represents fund balance that has not been assigned to other funds and has not been restricted, committed, or assigned to specific purposes in the General Fund. In other governmental funds, only negative unassigned amounts are reported, if any, and represent expenditures incurred for specific purposes exceeding the amounts previously restricted, committed, or assigned to those purposes.

When the Village incurs an expenditure for purposes for which more than one fund balance classification may be used, it is the policy of the Village to use restricted fund balance first, then committed fund balance, assigned fund balance and finally unassigned fund balance.

VILLAGE OF PINCKNEY

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

Revenues, Expenditures and Expenses

Property Taxes

Village taxes are levied each July 1 and are payable without penalty through September 14. Property tax revenues are recognized as revenue in the fiscal year levied to the extent that they are measurable and available. The delinquent real property taxes of the Village of Pinckney are purchased with recourse by Livingston County annually before the end of the fiscal year. Allowances for estimated charge backs as a result of the recourse arrangement are established when deemed necessary. The December 1, 2024 taxable valuation of the Village totaled \$103,078,836.

The Village levies the following millages:

General Village	8.0587
General Highway	<u>3.9963</u>
Total millage	<u>12.0550</u>

Charges for Services

Charges for services consist primarily of charges to residents for zoning review services, refuse disposal, property maintenance, water provisions and sewage disposal services.

Intergovernmental Revenues

Amounts received from State and Federal sources are generally recorded as intergovernmental revenues. The Village receives a share of state sales taxes and state transportation taxes which are recorded as intergovernmental revenues.

Rental Income

The Village receives payment from third party telecommunications companies in exchange for permitting cellular antennas to be located on Village property. Amounts received for this purpose are recorded as rental income as general revenues.

Management's Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Lease Receivable

The Village was a lessor for a cell tower lease. The Village recognized a lease receivable and deferred inflow of resources in the fund financial statements.

VILLAGE OF PINCKNEY

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

The Village's leases generally do not provide a readily available implicit rate. Therefore, the Village estimates the incremental borrowing discount rate based on the remaining lease term upon adoption date and information available at lease commencement for new or modified leases after the adoption date. The discount rates used were based on collateralized basis for similar terms and economic environments.

In fiscal year 2025, the Village accepted a buyout offer from American Tower, and sold the cell tower for approximately \$1,550,000. At that time, the Village reduced the balance of the lease receivable and deferred inflow of resources to zero, resulting in other income of \$13,119.

The following table presents the balance of certain information related to the operating leases as of and for the year ended June 30, 2025:

Cash received by Village	\$ 66,154
Rental Income	(57,378)
Interest Income	(1,218)
Change in estimate	16,755

NOTE 2 - DEPOSITS WITH FINANCIAL INSTITUTIONS AND INVESTMENTS

Michigan Compiled Laws, Section 129.91, (Public Act 20 of 1943, as amended) authorizes the Village to deposit and invest in the accounts of federally insured banks, credit unions, and savings and loan associations; bonds, securities and other direct obligations of the United States, or any agency or instrumentality of the United States; United States government or federal agency obligation repurchase agreements; bankers' acceptance of United States banks; commercial paper rated by two standard rating agencies within the two highest classifications, which mature not more than 270 days after the date of purchase; obligations of the State of Michigan or its political subdivisions which are rated investment grade; and mutual funds composed of investment vehicles which are legal for direct investment by local units of government in Michigan. Financial institutions eligible for deposit of public funds must maintain an office in Michigan. The Village's deposits are in accordance with statutory authority.

The investment policy adopted by the Council in accordance with Public Act 196 of 1997 has authorized investments in all of the investments mentioned in the preceding paragraph.

VILLAGE OF PINCKNEY

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025

NOTE 2 - DEPOSITS WITH FINANCIAL INSTITUTIONS AND INVESTMENTS - continued

As of June 30, 2025 deposits and investments consist of the following:

CASH AND INVESTMENTS - PRIMARY GOVERNMENT AND COMPONENT UNIT

Deposits	Total	Cash	Investments
Checking accounts	\$ 2,226,430	\$ 2,226,430	\$
Money market and savings account	1,213,170	1,213,170	
Non-negotiable certificates of deposit	1,062,783		1,062,783
Total deposits	4,502,383	3,439,600	1,062,783
Investments			
External investment fund	3,413,500		3,413,500
Total deposits and investments	<u>\$ 7,915,883</u>	<u>\$ 3,439,600</u>	<u>\$ 4,476,283</u>

Deposits and investments are presented in the financial statements in the following areas:

	Primary Government	Component Unit
Statement of Net Position		
Cash and investments	\$ 7,340,389	\$ 398,776
Restricted Cash	172,129	
Total cash and investments	<u>\$ 7,512,518</u>	<u>\$ 398,776</u>

The differences between the carrying amount of cash and the balances per the financial institutions as of June 30, 2025 stem from outstanding checks, petty cash and accrued interest.

VILLAGE OF PINCKNEY

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025

NOTE 2 - DEPOSITS WITH FINANCIAL INSTITUTIONS AND INVESTMENTS - continued

Custodial Credit Risk

Deposits

The Village's cash and investments are limited to deposits with financial institutions. These deposits are subject to custodial credit risk. Custodial credit risk is the risk that in the event of a bank failure, the Village will not be able to recover its deposits.

The Village evaluates each financial institution with which it deposits funds and assesses the level of risk of each institution; only those institutions with an acceptable estimated risk level are used as depositories.

As of June 30, 2025 deposits in banks totaled \$4,502,383 which was exposed to custodial credit risk as follows:

Insured by FDIC	\$ 2,271,291
Uninsured and uncollateralized	<u>2,231,092</u>
	<u>\$ 4,502,383</u>

The Village's investment policy does not address this risk.

Investments

This is the risk that in the event of the failure of a counterparty to a transaction, the Village will not be able to recover the value of the investments. The Village does not have a policy to cover custodial credit risk of investments.

As of June 30, 2025, the Village investment of \$3,413,500 in the MI Class external investment fund was not exposed to custodial credit risk.

Custodial Credit Risk - Deposits of Component Units

The Component Unit DDA does not have a deposit policy for custodial credit risk. At year end, none of the Component Unit DDA's bank deposits (checking, savings and money market accounts at financial institutions and certificates of deposits) were uninsured and uncollateralized. The Component Unit DDA evaluates each financial institution with which it deposits funds and assesses the level of risk of each institution; only those institutions with an acceptable estimated risk level are used as depositories.

Concentration of Credit Risk

Concentration of credit risk is the risk attributed to the magnitude of the Village's investment in a single issuer. The Village's investment policy requires diversification with the primary focus on safety. However, the policy does not place a fixed percentage limit for any one issuer.

Investments in external investment pools are not subject to the concentration of credit risk.

VILLAGE OF PINCKNEY

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025**

NOTE 2 - DEPOSITS WITH FINANCIAL INSTITUTIONS AND INVESTMENTS - continued

The following investments and deposits exceed 5% of total portfolio assets available for investment:

<u>Investment Type</u>	<u>Issuer</u>	<u>Portfolio</u>
Non-negotiable Certificate of Deposit	Comerica Bank	6%
Non-negotiable Certificate of Deposit	CIBC Bank	6%
Non-negotiable Certificate of Deposit	Flagstar Bank	6%

Interest Rate Risk

Interest rate risk is the risk that the changes in market will adversely affect the fair values of investments and cash deposits. The Village's investment policy requires this risk be minimized by investing primarily in short-term deposits and investments thus avoiding the need to sell prior to maturity.

As of June 30, 2025, the Village had the following investments subject to interest rate risk:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Maturity < 1 year</u>
Non-negotiable Certificate of Deposit	<u>\$ 1,062,783</u>	<u>\$ 1,062,783</u>

The Village's investment in the MI Class investment pool meets the definition of a 2a7-like pool and is therefore not subject to disclosures of interest rate risk.

Credit Risk

Credit risk is the risk that an issuer to an investment will not fulfill its obligations. The Village investment policy limits investments to those authorized by Public Act 20 of 1943.

As of June 30, 2025, the Village's investments were exposed to credit risk as follows:

<u>Investment Type</u>	<u>S&P Rating</u>	<u>Amount</u>
Non-negotiable Certificate of Deposit	Unrated	\$ 1,062,783
External Investment Pool - MI Class	AAAm	3,413,500
		<u>\$ 4,476,283</u>

VILLAGE OF PINCKNEY

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2025

NOTE 3 - FAIR VALUE MEASUREMENTS

Accounting standards require certain assets and liabilities to be reported at fair value in the financial statements and provide a framework for establishing that fair value. The framework for determining fair value is based on a hierarchy that prioritized the inputs and valuation techniques used to measure fair value.

The standards define fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Additionally, the standards require the use of valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs. These inputs are prioritized as follows:

- Level 1 - Observable inputs such as quoted prices in active markets for identical assets or liabilities.
- Level 2 - Observable market-based inputs or unobservable inputs that are corroborated by market data.
- Level 3 - Unobservable inputs for which there is little or no market data, which requires the use of the reporting entity's own assumptions.

Level 1 – Fair Value Measurements

The fair value of non negotiable certificates of deposits is based on readily available quoted prices for identical assets.

The Village investments are reported at fair value in the accompanying balance sheets. The following table presents fair value measurement information for certain financial instruments. The carrying value of receivables, cash and cash equivalents, and the current liabilities included in the accompanying balance sheets approximated fair value at June 30, 2025 and are thus not included in the following table.

The following is a summary of the inputs used to value each investment as of June 30, 2025:

Investments by fair value level	<u>Fair Value Measurements</u>			<u>6/30/2025</u>
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	
Non-negotiable certificates of deposit	\$ 1,062,783			\$ 1,062,783
Investments measured by NAV				
Michigan CLASS investment pool				3,413,500
Total Investment	<u>\$ 1,062,783</u>	<u>\$</u>	<u>\$</u>	<u>\$ 4,476,283</u>

Investments in Entities that Calculate Net Asset Value per Share

The Village holds shares or interests in investment companies at year end where the fair value of the investment held is estimated based on net asset value per share (or its equivalent) of the investment company.

VILLAGE OF PINCKNEY

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025**

NOTE 3 - FAIR VALUE MEASUREMENTS - continued

At year end, the fair value, unfunded commitments, and redemption rules of those investments are as follows:

Investments Held at June 30, 2025

	<u>Fair Value</u>	<u>Unfunded Commitments</u>	<u>Redemption Frequency, if Eligible</u>	<u>Redemption Notice Period</u>
MI CLASS	\$ 3,413,500	\$	None	None

NOTE 4 - INTERFUND RECEIVABLES AND PAYABLES

Interfund receivables and payables between individual funds of the Village, as reported in the fund financial statements, as of June 30, 2025 were:

<u>Fund Receiving Resources</u>	<u>Fund Providing Resources</u>	<u>Amount</u>	<u>Purpose</u>
ARPA Fund	General Fund	\$ 79,347	Pay grant expenditures

Residual balances between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances".

NOTE 5 - INTERFUND TRANSFERS

The transfers of cash between the various funds are budgeted and reported separate from revenues and expenditures as transfers in or (out), unless they represent temporary advances that are to be repaid, in which case they are carried as assets or liabilities of the advancing or borrowing fund. The Village also records all proceeds from the issuance of debt instruments as other financing sources in the fund financial statements. The total interfund transfer balances at June 30, 2025 were as follows:

<u>Fund Receiving Resources</u>	<u>Fund Providing Resources</u>	<u>Amount</u>	<u>Purpose</u>
General Fund	Sewage Disposal System Fund	\$ 565	Reimburse funds
Village Water Fund	Sewage Disposal System Fund	\$ 331	Reimburse funds
Local Street Fund	Major Street Fund	\$ 108,882	Project completion
Major Street Fund	General Highway Fund	\$ 130,000	Project completion
Village Water Fund	ARPA Fund	\$ 75,599	Pay grant expenditures

VILLAGE OF PINCKNEY

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025**

NOTE 6 - CAPITAL ASSETS

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

PRIMARY GOVERNMENT

Governmental activities	Balance July 1, 2024	Additions	Deletions	Reclassification	Balance June 30, 2025
Capital assets not being depreciated:					
Land	\$ 67,130		\$	\$	\$ 67,130
Construction in progress	33,079			(33,079)	
Subtotal	100,209			(33,079)	67,130
Other capital assets:					
Buildings and improvements	728,180	3,675		33,079	764,934
Machinery and equipment	1,196,049	163,997	(107,213)		1,252,833
Road infrastructure	3,612,374	118,350			3,730,724
Subtotal	5,536,603	286,022	(107,213)	33,079	5,748,491
Less accumulated depreciation for:					
Buildings and improvements	(274,003)	(41,054)			(315,057)
Machinery and equipment	(669,185)	(126,465)	95,677		(699,973)
Road infrastructure	(2,153,559)	(186,536)			(2,340,095)
Subtotal	(3,096,747)	(354,055)	95,677		(3,355,125)
Other capital assets, net	2,439,856	(68,033)	(11,536)	33,079	2,393,366
Net capital assets	<u>\$ 2,540,065</u>	<u>\$ (68,033)</u>	<u>\$ (11,536)</u>	<u>\$</u>	2,460,496
Related long-term debt outstanding at June 30, 2025:					<u>(185,000)</u>
Governmental capital assets, net of related debt:					<u>\$ 2,275,496</u>

Depreciation expense was charged to the following governmental activities:

	<u>Depreciation</u>
General government	\$ 25,286
Recreation and culture	240,185
Public works	86,613
Public safety	1,971
Total depreciation expense	<u>\$ 354,055</u>

VILLAGE OF PINCKNEY

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025**

NOTE 6 - CAPITAL ASSETS - continued

PRIMARY GOVERNMENT - continued

Business-type activities	Balance July 1, 2024	Additions	Deletions	Reclassification	Balance June 30, 2025
Capital assets not being depreciated:					
Land	\$ 134,216	\$	\$	\$	\$ 134,216
Other capital assets:					
Buildings	291,570				291,570
Vehicles	58,091				58,091
Equipment	743,550	19,609	(16,557)		746,602
Sewer infrastructure	10,991,435				10,991,435
Water infrastructure	5,987,110	75,599			6,062,709
Subtotal	18,071,756	95,208	(16,557)		18,150,407
Less accumulated depreciation for:					
Buildings	(85,546)	(7,477)			(93,023)
Vehicles	(58,091)				(58,091)
Equipment	(525,936)	(42,293)	16,557		(551,672)
Sewer infrastructure	(4,722,351)	(266,868)			(4,989,219)
Water infrastructure	(3,409,622)	(158,908)			(3,568,530)
Subtotal	(8,801,546)	(475,546)	16,557		(9,260,535)
Other capital assets, net	9,270,210	(380,338)			8,889,872
Net capital assets	<u>\$ 9,404,426</u>	<u>\$ (380,338)</u>	<u>\$</u>	<u>\$</u>	9,024,088
Related long-term debt outstanding at June 30, 2025:					<u>(3,138,011)</u>
Business-type capital assets, net of related debt					<u>\$ 5,886,077</u>

Depreciation expense was charged to the following business-type activities:

	Depreciation
Sewer service	\$ 293,369
Water service	182,177
Total depreciation expense	<u>\$ 475,546</u>

VILLAGE OF PINCKNEY

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025

NOTE 6 - CAPITAL ASSETS - continued

COMPONENT UNIT

	Balance July 1, 2024	Additions	Deletions	Balance June 30, 2025
Downtown Development Authority				
Capital assets not being depreciated:				
Land	\$ 96,665	\$	\$	\$ 96,665
Other capital assets:				
Infrastructure	623,671			623,671
Less accumulated depreciation for:				
Infrastructure	(339,556)	(25,360)		(364,916)
Other capital assets, net	284,115	(25,360)		258,755
Net capital assets	\$ 380,780	\$ (25,360)	\$	\$ 355,420

Depreciation expense was charged to the following component unit activity:

Recreation and culture	<u>\$ 25,360</u>
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VILLAGE OF PINCKNEY

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025**

NOTE 7 - LONG-TERM OBLIGATIONS

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

	Balance			Balance	Amount
Primary Government	July 1, 2024	Additions	Deletions	June 30, 2025	Due in One Year
Government Activities					
2010 General Obligation Bonds	\$ 220,000	\$	\$ 35,000	\$ 185,000	\$ 35,000
Compensated absences	41,080		12,577	28,503	1,662
Total government activities	261,080		47,577	213,503	36,662
Business-type Activities					
2013 General Obligation Capital					
Improvement Bonds	202,010		20,000	182,010	20,000
2020 Sanitary Sewer Bonds	473,000		9,000	464,000	9,000
2018 Rural Development					
Revenue Bonds	2,543,001		51,000	2,492,001	52,000
Compensated absences	12,438		2,422	10,016	
Total business-type activities	3,230,449	-	82,422	3,148,027	81,000
Total Primary Government	\$ 3,491,529	\$	\$ 129,999	\$ 3,361,530	\$ 117,662

The Village's long-term obligations as of June 30, 2025, and transactions during the year then ended, are as follows:

PRIMARY GOVERNMENT

General Obligation Bonds

The following is a listing of general obligation bonds outstanding as of June 30, 2025:

Government Activities

General Obligation Capital Improvement Bonds, Series 2010; original issue \$681,000, interest at 2.50% maturing April 1, 2030, for construction and improvements to Mill Street.

\$ 185,000

Business-type Activities

General Obligation Capital Improvement Bonds, Series 2013; original issue \$357,009, interest at 2.00% maturing October 1, 2033, for improvement to the sewer system.

182,010

Total general obligation bonds

\$ 367,010

VILLAGE OF PINCKNEY

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025**

NOTE 7 - LONG-TERM OBLIGATIONS - continued

As of June 30, 2025 the remaining debt service maturities on the general obligation bonds and installment agreement obligations of the Village are as follows:

Fiscal Year Ended	Governmental Activities		Business-type Activities	
	Principal	Interest	Principal	Interest
2026	\$ 35,000	\$ 4,625	\$ 81,000	\$ 73,324
2027	35,000	3,750	82,000	71,489
2028	35,000	2,875	84,000	69,656
2029	80,000	3,000	85,000	67,965
2030			87,000	63,951
2031-2035			439,010	289,757
2036-2040			400,000	242,443
2041-2045			449,000	192,776
2046-2050			504,000	137,122
2051-2055			564,000	74,770
2056-2060			347,000	14,403
2060-2061			16,001	152
	<u>\$ 185,000</u>	<u>\$ 14,250</u>	<u>\$ 3,138,011</u>	<u>\$ 1,297,808</u>

Rural Development Bonds

The Village has the following revenue development bond outstanding as of June 30, 2024:

Business-type Activities

Rural Development Revenue Bonds, 92-02; original issue \$2,949,000,
interest at 2.375% maturing November 8, 2058, for improvement to the sewer system. \$ 2,492,001

Business-type Activities

Revenue Bonds, Series 2020; original issue \$500,000,
interest at 1.875% maturing September 1, 2060, for improvement to the sewer system. \$ 464,000

Compensated Absences

Employees have rights upon termination of employment to receive payments for unused vacation time. The total dollar amounts of these rights amounted to \$38,519 and have been recorded in the government-wide financial statements at June 30, 2025.

VILLAGE OF PINCKNEY

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025

NOTE 8- DEFINED BENEFIT PENSION PLAN

Plan Description

The employer's defined benefit pension plan provides certain retirement, disability and death benefits to plan members and beneficiaries. The employer 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 Legislature under Public Act 135 of 1945 and administered by a nine-member Retirement Board. MERS issues a financial report that includes financial statements and required supplementary information. This report may be obtained by accessing the MERS website at www.mersofmich.com and is available to the public.

Benefits Provided

The defined benefit plan is comprised of three divisions. Division 01 is an open division for the general employees, Division 02 is a closed division for the eligible police and fire employees. Division 10 is an open division for new hires after July 1, 2021, linked to Division 01.

Benefits are to be paid as 2.50% of the final average compensation for each year of service for Division 01, with an 80% maximum; 2% of the final average compensation for each year of service for Division 02, with no maximum, and 2% of the final average compensation for each year of service for Division 10, with no maximum. Final average compensation is calculated based on the employee's final 5 years' wages for all divisions.

The plan has a vesting period of 10 years, with normal retirement at age 60 for all divisions. Early retirement is available with normal benefits at age 55 with 25 years of service, or with reduced benefits at age 50 with 25 years of service or age 55 with 15 years of service for both divisions.

Employees covered by benefit terms

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

	<u>Division 01</u>	<u>Division 02</u>	<u>Division 10</u>
Inactive employees or beneficiaries currently receiving benefits	8	1	0
Inactive employees entitled to but not yet receiving benefits	10	0	0
Active employees	<u>6</u>	<u>0</u>	<u>6</u>
Total	<u>24</u>	<u>1</u>	<u>6</u>

Contributions

The Village is required to contribute amounts at least equal to the actuarially determined rate, as established by the MERS Retirement Board. The actuarially determined rate is the estimated amount necessary to finance the cost of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability or asset.

Covered employees are required to contribute 4.00% of their annual covered salaries and wages. The Village is required to contribute an actuarially determined rate of eligible payroll for Division 01 and a fixed dollar amount for Division 02 and Division 10. For the year ended June 30, 2025 the rate was 23.16% and the fixed amount was \$425 and \$0 per month for the period July 1, 2023 through February 28, 2024, and a fixed amount of \$11,280 and \$466 per month a rate of 8.54% per month is effective for the period March 1, 2024 through June 30, 2025.

VILLAGE OF PINCKNEY

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025

NOTE 8 - DEFINED BENEFIT PENSION PLAN - continued

Net Pension Liability

The Total Pension Liability used to calculate the Net Pension Liability was determined by an annual actuarial valuation as of December 31, 2024.

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: 2.5%.

Salary Increases: 3.0% in the long term.

Investment rate of return: 6.93%, net of investment expense, including inflation.

Although no specific price inflation assumptions are needed for the valuation, the 3.0% long-term wage inflation assumption would be consistent with price inflation of 2.5%.

Mortality rates used were based on the 2014 Group Annuity Mortality Table of a 50% Male and 50% Female blend.

The actuarial assumptions used in the valuation were based on the results of the most recent actuarial experience study from 2020.

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 weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>		<u>Target Allocation Gross Rate of Return</u>		<u>Long- Term Expected Real Rate of Return</u>
Global Equity	60.00%	x	7.00%	=	4.20%
Global Fixed Income	20.00%	x	4.66%	=	0.93%
Private Investments	20.00%	x	9.00%	=	1.80%
Total					<u><u>6.93%</u></u>

VILLAGE OF PINCKNEY

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025

NOTE 8 - DEFINED BENEFIT PENSION PLAN - continued

Discount Rate

The discount rate used to measure the total pension liability is 7.18% for 2024. The projection of cash flow 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.

Changes in Net Pension Liability

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a)-(b)
Balance at 12/31/2023	\$ 4,851,277	\$ 3,592,675	\$ 1,258,602
Changes for the year			
Service cost	123,317		123,317
Interest on total pension liability	342,934		342,934
Changes in benefits			
Difference between expected and actual experience	(28,855)		(28,855)
Changes in assumptions	(6,265)		(6,265)
Employer contributions		174,541	(174,541)
Employee contributions		45,073	(45,073)
Net investment income		267,430	(267,430)
Benefit payments, including employee refunds	(273,394)	(273,394)	
Administrative expense		(7,966)	7,966
Other changes	2		2
Net changes	157,739	205,684	(47,945)
Balances as of 12/31/2024	<u>\$ 5,009,016</u>	<u>\$ 3,798,359</u>	<u>\$ 1,210,657</u>

VILLAGE OF PINCKNEY

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025**

NOTE 8 - DEFINED BENEFIT PENSION PLAN - continued

Sensitivity of the Net Pension Liability to changes in the discount rate

The following presents the Net Pension Liability of the employer, calculated using the discount rate of 7.18%, as well as what the employer's Net Pension Liability would be using a discount rate that is 1% lower (6.18%) or 1% higher (8.18%) than the current rate.

	1% Decrease	Current Discount	1% Increase
	6.18%	Rate	8.18%
	7.18%	7.18%	8.18%
Net Pension Liability at 12/31/2024	\$ 1,210,657	\$ 1,210,657	\$ 1,210,657
Change in Net Pension Liability (NPL) from change in discount rate	586,524		(490,731)
Calculated NPL	<u>\$ 1,797,181</u>	<u>\$ 1,210,657</u>	<u>\$ 719,926</u>

Note: The current discount rate shown for GASB 68 purposes is higher than the MERS assumed rate of return. This is because for GASB purposes, the discount rate must be gross of administrative expenses, whereas for funding purposes, it is net of administrative expenses.

Pension Expense and Deferred Outflow/Inflow of Resources Related to Pension

For the year ended June 30, 2025, the Village recognized pension expense of \$224,272. The Village reported deferred outflow and inflow of resources related to pensions from the following sources:

	Deferred	Deferred	Total
	Outflow of	Inflow of	
	Resources	Resources	
Differences in experience	\$	\$ (15,705)	\$ (15,705)
Differences in assumptions	9,171		9,171
Excess (Deficit) of Investment Returns	129,955		129,955
Total to be amortized as pension expense	139,126	(15,705)	123,421
Contributions subsequent to the measurement date	89,175		89,175
Total deferred outflows (inflows)	<u>\$ 228,301</u>	<u>\$ (15,705)</u>	<u>\$ 212,596</u>

The amount reported as deferred outflow of resources resulting from contributions made subsequent to the measurement date will be recognized as a reduction in the Net Pension Liability for the year ending June 30, 2025.

Amounts reported as deferred outflow and inflow of resources related to other pension activities will be recognized in pension expense as follows:

Year Ended	Expense
2026	\$ 50,961
2027	102,682
2028	(27,892)
2029	(2,330)
Total	<u>\$ 123,421</u>

VILLAGE OF PINCKNEY

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025

NOTE 9 - POST EMPLOYMENT BENEFITS

Plan Description

Plan summary

The Village participates in an agent multiple employer defined benefit healthcare plan ("the Retiree Health Plan"). The plan provides health insurance coverage to certain retirees of the Village. Eligible retirees are those that have provided the Village twenty-five or more years of service and have reached the age of fifty-five. The plan is closed to employees hired after July 1, 2012. Benefit provisions are established through policies adopted by the Village Council through resolution. The Retiree Health Plan does not issue a publicly available financial report.

Benefits Provided

The Village provides medical, pharmacy, dental and vision benefits for eligible retirees and their spouse. Benefits are provided through fully insured plans administered by Blue Cross Blue Shield of Michigan. Benefits are provided to the retiree until the earlier of Medicare eligibility or age 65. Benefits are provided to the spouse of each retiree until the retiree reaches the earlier of Medicare eligibility or age 65.

Summary of plan participants

The retiree health plan membership for the year ended June 30, 2025, consisted of the following:

Metrics	Active Employees	Retirees and Spouses
Covered participants	2	
Average age	54.8	
Average service age	22.0	
Percentage male	100.0	

Contribution Provisions

Contributions to the plan are not mandated and therefore the Village may fund these benefits on a pay-as-you-go basis. However, the Village participates in the Retiree Healthcare Funding Vehicle (RHFV) at the Municipal Employees' Retirement System of Michigan (MERS). The RHFV is an agent multiple employer defined benefit OPEB plan that is administered by MERS. The Village has made contributions to advance-fund these benefits as resources are available as determined by the Village Council. During the fiscal year ended June 30, 2025, the Village made contributions of \$0 to the RHFV. The retiree is responsible to pay for 50% of the premium cost in the form of reimbursements to the Village on a monthly basis.

VILLAGE OF PINCKNEY

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025

NOTE 9 - POST EMPLOYMENT BENEFITS - continued

Assumptions and Methods

The Village's OPEB liability was measured as of June 30, 2025.

Actuarial assumptions

The total OPEB liability was determined by an actuarial valuation as of June 30, 2025 with the following assumptions applied to all periods included in the measurement:

Actuarial Cost Method	Individual Entry Age Normal as a level percentage of payroll
Discount Rate	6.00%
Annual Wage Increases	2.50%
Price Inflation	2.50%
Investment Rate of Return	6.00%
Actuarial Value of Assets	Market value
Annual Per Capita Claims Costs	Starting per capita costs were based on the annual premium equivalent rates provided by the insurer. These rates are charged on a per member, age-specific basis. As such, these rates are considered age-appropriate and no further adjustments are necessary. Fixed costs and fees are included in these costs to the extent the insurer incorporated them.
Participation	<i>100% of future retirees</i> are assumed to elect coverage at retirement. It is assumed that no one will opt in or opt out of coverage once an initial retirement election is made. <i>Current retirees</i> : Based on current coverage election. It is assumed that no one will opt in or opt out of coverage once initial retirement election is made.
Spouse age	Actual age is used for spouses of current retirees, if provided.
Retirement	100% of participants are assumed to retire at age 60.
Withdrawal	Participants are assumed to not terminate employment for any reason other than death, disability or retirement.

Age	Rate
25	0.02%
30	0.02%
35	0.05%
40	0.08%
45	0.21%
50	0.29%
55	0.38%
60+	0.39%

VILLAGE OF PINCKNEY

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025

NOTE 9 - POST EMPLOYMENT BENEFITS - continued

Assumptions and Methods - continued

Mortality

Healthy:

Pub-2010 General Retiree Mortality Table scaled by a factor of 106%

Disabled:

PubNS-2010 Disable Retiree Mortality Table without adjustment. The mortality assumptions include a margin for future mortality improvements using Scale MP-2021 projected fully-generationally from the central year of data, 2010. Ninety percent of active member deaths are assumed to be non-duty deaths, and 10% of the deaths are assumed to be duty related.

**Annual Premium
Equivalent Rates**

Age	Medical and Prescription	Dental	Vision	Total
50	\$ 7,225	\$ 453	\$ 51	\$ 7,729
51	7,545	461	51	8,057
52	7,897	470	52	8,419
53	8,253	479	52	8,784
54	8,637	488	52	9,177
55	9,022	497	53	9,572
56	9,438	506	53	9,997
57	9,859	516	53	10,428
58	10,308	526	53	10,887
59	10,531	536	53	11,120
60	10,980	546	52	11,578
61	11,368	556	52	11,976
62	11,623	567	52	12,242
63	11,943	578	51	12,572
64	12,137	588	51	12,776

VILLAGE OF PINCKNEY

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2025

NOTE 9 - POST EMPLOYMENT BENEFITS - continued

Assumptions and Methods - continued

Discount Rate

The discount rate is the single rate that reflects (1) the long-term expected rate of return on OPEB plan investments that are expected to be used to finance the payment of benefits, to the extent that the OPEB plan's fiduciary net position is projected to be sufficient to make projected benefit payments and OPEB plan assets are expected to be invested using a strategy to achieve that return, and (2) a yield or index rate for 20-year, tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher (or equivalent quality on another scale), to the extent that the conditions for use of the long-term expected rate of return are not met.

Single Equivalent Interest Rate (SEIR)

Long-Term Expected Rate of Return	6.00%
Municipal Bond Index Rate*	4.21%
Fiscal Year In Which Fiduciary Net Position Is Projected to be Depleted	N/A
Single Equivalent Interest Rate	6.00%

*Source: S&P Municipal Bond 20 Year High Grade Rate Index

Investment Rate of Return

The investment policy of the Employer is determined based on the goals and objectives of the Plan and the risk tolerance of the Employer. As new information regarding the economic environment becomes available the investment policy may need to be revised. Asset allocations fluctuate due to market performance, however, the targeted OPEB asset allocation is as described below. The Employer's objective in selecting the Expected Long-Term rate of return on Assets is to estimate the single rate of return that reflects the historical returns, future expectations for each asset class, and the asset mix of the plan assets.

Per disclosures released by MERS of Michigan, the following reflects the broad asset classes of the Total Market Portfolio, in which the Employer is invested, as well as the expected return on investments for each class. However, the Employer has selected a more conservative rate of 6.00%

<u>Asset Classes</u>	<u>Target Allocation (a)</u>	<u>Inflation (b)</u>	<u>Real Rate of Return (c)</u>	<u>Arithmetic Mean (a) x [(b)+(c)]</u>
Global Equity	60.00%	2.50%	3.55%	3.63%
Global Fixed Income	20.00%	2.50%	1.71%	0.84%
Private Investments	20.00%	2.50%	5.13%	1.53%
Total	100.00%	7.50%	10.39%	6.00%

VILLAGE OF PINCKNEY

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025

NOTE 9 - POST EMPLOYMENT BENEFITS - continued

Net OPEB Liability

Changes in the Net OPEB Liability (Asset)

	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability
Balance at June 30, 2024	<u>\$ 57,953</u>	<u>\$ 147,300</u>	<u>\$ (89,347)</u>
Changes during the year			
Service cost	1,477		1,477
Interest	3,566		3,566
Differences between expected and actual experience		5,518	(5,518)
Change in actuarial assumptions	3,413		3,413
Change in benefits			
Contributions to OPEB trust			
Net investment income		8,828	(8,828)
Benefit payments, including refunds of contributions			
Administrative expenses		(322)	322
Other changes			
Total changes	<u>8,456</u>	<u>14,024</u>	<u>(5,568)</u>
Balance at June 30, 2025	<u><u>\$ 66,409</u></u>	<u><u>\$ 161,324</u></u>	<u><u>\$ (94,915)</u></u>

Net OPEB Liability (Asset) Discount and Trend Rate Sensitivity

The following presents the Net OPEB Liability (NOL) of the Village, calculated using trend and discount rates of 1% higher or 1% lower than the base assumptions:

Trend	1% Decrease	Current Rate	1% Increase
Net OPEB Liability	\$ (94,915)	\$ (94,915)	\$ (94,915)
Change in Net OPEB Liability from change in trend	(4,408)		4,689
Adjusted Net OPEB Liability	<u><u>\$ (99,323)</u></u>	<u><u>\$ (94,915)</u></u>	<u><u>\$ (90,226)</u></u>
Discount	1% Decrease	Current Rate	1% Increase
Net OPEB Liability	\$ (94,915)	\$ (94,915)	\$ (94,915)
Change in Net OPEB Liability from change in trend	3,342		(3,250)
Adjusted Net OPEB Liability	<u><u>\$ (91,573)</u></u>	<u><u>\$ (94,915)</u></u>	<u><u>\$ (98,165)</u></u>

VILLAGE OF PINCKNEY

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025

NOTE 9 - POST EMPLOYMENT BENEFITS - continued

OPEB Expense

Components of the Village's OPEB expense, under GASB 75 standards, for the fiscal year ended June 30, 2025 are:

	Fiscal Year Ending June 30, 2025
Service cost	\$ 1,477
Interest on total OPEB liability	3,566
Recognition of deferred outflows (inflows) related to:	
Projected and actual investment earnings	(3,576)
Differences between expected and actual experience	(14,118)
Changes in assumptions	(4,246)
Projected earnings on OPEB plan investments	(8,828)
Administrative expenses	322
Total OPEB expense	<u>\$ (25,403)</u>

Deferred outflows and inflows of resources related to OPEB:

	Deferred Outflow of Resources	Deferred Inflow of Resources	Total
Differences in experience	\$	\$ (4,585)	\$ (4,585)
Differences between projected and actual income	965	(25,689)	(24,724)
Differences in assumptions	3,579	(9,184)	(5,605)
Total deferred outflows (inflows)	<u>\$ 4,544</u>	<u>\$ (39,458)</u>	<u>\$ (34,914)</u>

Amounts reported as deferred outflow and inflow of resources related to OPEB will be recognized as OPEB expense as follows:

	For the year ended June 30,
2025	\$ (16,625)
2026	(16,283)
2027	(1,816)
2028	(703)
2029	399
Thereafter	114
Total	<u>\$ (34,914)</u>

VILLAGE OF PINCKNEY

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025

NOTE 10 - RISK MANAGEMENT, CLAIMS, JUDGMENTS AND CONTINGENCIES

Risk Management

The Village is exposed to various risks of loss pertaining to property loss, torts, errors and omissions and employee injuries (workers' compensation), as well as medical benefits provided to employees. The Village has purchased commercial insurance for these claims. Settled claims related to the commercial insurance have not exceeded the amount of insurance coverage in any of the past three fiscal years.

Claims, Judgments and Contingencies

Village management is not aware of any claims, judgments or contingencies that require disclosure.

NOTE 11 - ASSETS RESTRICTED FOR CAPITAL AND DEBT

Restricted assets in the Sewage Disposal System Fund as of June 30, 2025 consisted of the following:

	Sewage Disposal System Fund	Total Restricted Assets
Cash and cash equivalents	\$ 172,129	\$ 172,129
Special assessment receivables	1,755	1,755
Total	\$ 173,884	\$ 173,884

NOTE 12 - CHANGE IN ESTIMATE

In the prior year, the Village estimated the lease receivable discussed in Note 1 based on the present value of future lease receipts. During fiscal 2025, the payment terms of the lease changed. This lease modification required the Village to remeasure the lease receivables and deferred inflows of resources. This resulted in a change in estimate of \$16,755.

NOTE 13 - SUBSEQUENT EVENTS

Management has evaluated subsequent events through December 8, 2025, which is the date the financial statements were available to be issued.

Management has determined that the Village does not have any material recognizable or unrecognizable events.

VILLAGE OF PINCKNEY

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025

NOTE 14 - RECENTLY ADOPTED GASB PRONOUNCEMENTS

In June 2022, the Governmental Accounting Standards Board issued Statement No. 101, *Compensated Absences*, which updates the recognition and measurement guidance for compensated absences under a unified model. This Statement requires that liabilities for compensated absences be recognized for leave that has not been used and leave that has been used but not yet paid in cash or settled through noncash means and establishes guidance for measuring a liability for leave that has not been used. It also updates disclosure requirements for compensated absences.

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

The Village implemented these Standards for the year ended June 30, 2025. The adoption did not have a significant impact on the Village's financial statements for the year ended June 30, 2025.

NOTE 15 - UPCOMING GASB PRONOUNCEMENTS

In April 2024, the GASB issued Statement No. 103, *Financial Reporting Model Improvements*. This Statement established new accounting and financial reporting requirements – or modified existing requirements – related to management's discussion and analysis (MD&A), unusual or infrequent items, presentation of the proprietary fund statement of revenues, expenses and changes in fund position, information about major components and budgetary comparison information. The Village is currently evaluating the impact this standard will have on the financial statements when it is adopted during the year ending June 30, 2026.

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. Leased 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 the 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, the Statement requires intangible assets other than those three types to be disclosed separately by major class. This Statement also requires additional disclosure for capital assets held for sale. The Village is currently evaluating the impact this Statement will have on the financial statements when it is adopted during the year ending June 30, 2026.

REQUIRED SUPPLEMENTARY INFORMATION

VILLAGE OF PINCKNEY

GENERAL FUND

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2025**

	Budget Amount			Variance with Final Budget Favorable (Unfavorable)
	Original	Final	Actual	
REVENUES				
Property taxes	\$ 708,220	\$ 708,220	\$ 737,426	\$ 29,206
State revenues	273,677	273,677	272,590	(1,087)
Charges to other governments and funds	161,250	161,250	171,108	9,858
Grants	500	6,500	6,839	339
Rents	120,000	57,378	57,378	
Licenses, fines and permits	116,000	129,850	52,438	(77,412)
Interest	18,500	18,500	44,714	26,214
Reimbursements	600	600	4,156	3,556
Sale of tower		1,551,413	1,551,413	
Miscellaneous income	2,800	14,932	19,499	4,567
Total revenues	1,401,547	2,922,320	2,917,561	(4,759)
EXPENDITURES				
Village council	12,498	14,498	16,483	(1,985)
President	16,007	21,007	39,574	(18,567)
Clerk	59,957	66,464	74,066	(7,602)
Auditors	5,900	7,890	7,890	
Secretary	45,250	45,250	37,964	7,286
Treasurer	81,110	82,579	74,331	8,248
Buildings and grounds	40,763	40,763	20,489	20,274
Legal	30,000	30,000	24,862	5,138
Elections	5,070	5,070	3,084	1,986
Office overhead	73,377	75,877	100,541	(24,664)
Police	667,528	699,198	664,241	34,957
Public works	269,032	271,032	303,331	(32,299)
Street lights	17,250	17,250	19,235	(1,985)
Capital outlay	228,000	228,000	109,848	118,152
Planning commission	104,610	104,610	28,784	75,826
Zoning department	54,191	54,191	29,975	24,216
Economic development	2,500	2,500		2,500
Parks and recreation	20,980	20,980	7,373	13,607
Total expenditures	1,734,023	1,787,159	1,562,071	225,088
Excess of revenues over (under) expenditures	(332,476)	1,135,161	1,355,490	220,329
OTHER FINANCING SOURCES				
Sale of asset		25,000	47,000	22,000
Transfers in	500	500	565	65
Total other financing sources	500	25,500	47,565	22,065
Change in estimate		(16,755)	(16,755)	
Net change in fund balance	(331,976)	1,143,906	1,386,300	242,394
FUND BALANCE, JULY 1, 2024	879,045	879,045	879,045	
FUND BALANCE, JUNE 30, 2025	\$ 547,069	\$ 2,022,951	\$ 2,265,345	\$ 242,394

VILLAGE OF PINCKNEY

MAJOR STREET FUND

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2025

	Budget Amount			Variance with Final Budget Favorable (Unfavorable)
	Original	Final	Actual	
REVENUES				
Intergovernmental	\$	\$	\$ 224,113	\$
Interest			16,057	
Reimbursement			2,437	
Total revenues	<u>229,764</u>	<u>229,764</u>	<u>242,607</u>	<u>12,843</u>
EXPENDITURES				
Labor			9,798	
Contracted services			38,792	
Repairs and maintenance			6,022	
Capital outlay			117,078	
Charges from other funds			25,679	
Other			1,236	
Total expenditures	<u>168,600</u>	<u>221,950</u>	<u>198,605</u>	<u>23,345</u>
Excess of revenues over (under) expenditures	61,164	7,814	44,002	36,188
OTHER FINANCING (USES)				
Transfers (out)	(108,882)	(108,882)	(108,882)	
Transfers in	<u>65,000</u>	<u>130,000</u>	<u>130,000</u>	
Total other financing sources	(43,882)	21,118	21,118	
Net change in fund balance	17,282	28,932	65,120	36,188
FUND BALANCE, JULY 1, 2024	<u>373,829</u>	<u>373,829</u>	<u>373,829</u>	
FUND BALANCE, JUNE 30, 2025	<u>\$ 391,111</u>	<u>\$ 402,761</u>	<u>\$ 438,949</u>	<u>\$ 36,188</u>

VILLAGE OF PINCKNEY

LOCAL STREET FUND

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2025

	Budget Amount			Variance with Final Budget Favorable (Unfavorable)
	Original	Final	Actual	
REVENUES				
Intergovernmental	\$	\$	\$ 95,788	\$
Interest			6,390	
Reimbursements			21,575	
Total revenues	<u>99,541</u>	<u>99,541</u>	<u>123,753</u>	<u>24,212</u>
EXPENDITURES				
Labor			16,054	
Contracted services			648	
Repairs and maintenance			16,194	
Charges from other funds			23,204	
Other			1,279	
Total expenditures	<u>132,086</u>	<u>132,086</u>	<u>57,379</u>	<u>74,707</u>
Excess of revenues over (under) expenditures	<u>(32,545)</u>	<u>(32,545)</u>	<u>66,374</u>	<u>98,919</u>
OTHER FINANCING SOURCES				
Transfers in	<u>108,882</u>	<u>108,882</u>	<u>108,882</u>	
Net change in fund balance	<u>76,337</u>	<u>76,337</u>	<u>175,256</u>	<u>98,919</u>
FUND BALANCE, JULY 1, 2024	<u>268,374</u>	<u>268,374</u>	<u>268,374</u>	
FUND BALANCE, JUNE 30, 2025	<u>\$ 344,711</u>	<u>\$ 344,711</u>	<u>\$ 443,630</u>	<u>\$ 98,919</u>

VILLAGE OF PINCKNEY

GENERAL HIGHWAY FUND

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2025

	Budget Amount			Variance with Final Budget Favorable (Unfavorable)
	Original	Final	Actual	
REVENUES				
Property taxes	\$	\$	365,014	\$
PPT reimbursement			2,323	
Licenses, fines and permits			3,100	
Interest			21,354	
Right of way fees			10,402	
Total revenues	<u>375,380</u>	<u>375,380</u>	<u>402,193</u>	<u>26,813</u>
EXPENDITURES				
Other			52,300	
Debt service - principal			35,000	
Debt service - interest			5,281	
Total expenditures	<u>88,281</u>	<u>88,281</u>	<u>92,581</u>	<u>(4,300)</u>
Excess of revenues over (under) expenditures	287,099	287,099	309,612	22,513
OTHER FINANCING SOURCES				
Transfer (out)	<u>(65,000)</u>	<u>(130,000)</u>	<u>(130,000)</u>	
Net change in fund balance	222,099	157,099	179,612	22,513
FUND BALANCE, JULY 1, 2024	<u>530,493</u>	<u>530,493</u>	<u>530,493</u>	
FUND BALANCE, JUNE 30, 2025	<u>\$ 752,592</u>	<u>\$ 687,592</u>	<u>\$ 710,105</u>	<u>\$ 22,513</u>

**VILLAGE OF PINCKNEY
ARPA FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2025**

	Budgets			Variance with Final Budget Favorable (Unfavorable)
	Original	Final	Actual	
REVENUES				
Grant revenue		\$ 90,599	\$ 75,599	\$ (15,000)
EXPENDITURES				
Capital outlay		90,599		90,599
Excess of revenues over expenses			75,599	\$ (75,599)
OTHER FINANCING SOURCES (USES)				
Transfers (out)			(75,599)	\$ 75,599
Net change in fund balance				
FUND BALANCE, JULY 1, 2024				
FUND BALANCE, JUNE 30, 2025	\$	\$	\$	\$

VILLAGE OF PINCKNEY

**DEFINED BENEFIT PENSION PLAN
SCHEDULE OF EMPLOYER CONTRIBUTIONS
FOR THE YEAR ENDED JUNE 30, 2025**

	For the plan year ended December 31,									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Actuarial Determined Contributions	\$ 174,541	\$ 151,318	\$ 154,893	\$ 108,851	\$ 129,172	\$ 111,236	\$ 100,399	\$ 77,670	\$ 79,836	\$ 68,440
Contributions in relation to the actuarially determined contribution	174,541	151,318	154,893	109,381	133,367	118,502	110,949	88,011	79,836	68,440
Contribution deficiency (excess)	\$	\$	\$	\$ (530)	\$ (4,195)	\$ (7,266)	\$ (10,550)	\$ (10,341)	\$	\$
Covered employee payroll	\$ 784,539	\$ 729,315	\$ 732,105	\$ 507,808	\$ 671,194	\$ 611,505	\$ 541,600	\$ 567,344	\$ 541,924	\$ 549,265
Contributions as a percentage of covered employee payroll	22.25%	20.75%	21.16%	21.54%	19.87%	19.38%	20.49%	15.51%	14.73%	12.46%

Notes to Schedule

Actuarial cost method	Entry Age
Amortization method	Level percentage of payroll, open
Remaining amortization period	15 years
Asset valuation method	5 year smoothed
Inflation	2.50%
Salary increases	3.00%
Investment rate of return	6.93%
Retirement age	Varies depending on plan adoption
Mortality	50% Female/50% Male 2014 Group Annuity Mortality Table

Previous actuarial methods and assumptions:

A ten year smoothed asset valuation method was used for the time period through 2020.

This schedule is presented to illustrate the requirement to show information for 10 years.

VILLAGE OF PINCKNEY

**DEFINED BENEFIT PENSION PLAN
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
FOR THE YEAR ENDED JUNE 30, 2025**

	For the plan year ended December 31,									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
TOTAL PENSION LIABILITY										
Service cost	\$ 123,317	\$ 113,570	\$ 115,389	\$ 74,292	\$ 96,853	\$ 85,855	\$ 75,337	\$ 82,549	\$ 76,845	\$ 75,304
Interest	342,934	330,090	309,598	284,453	270,518	243,647	243,948	227,771	205,333	198,745
Changes of benefit terms										
Difference between expected and actual experience	(28,855)	(3,837)	96,205	5,994	49,811	22,103	(23,278)	36,896	114,412	(150,782)
Changes of assumptions	(6,265)	36,907		163,365	111,430	127,104				135,877
Benefit payments including employee refunds	(273,394)	(243,258)	(232,002)	(179,752)	(144,857)	(142,073)	(147,380)	(135,407)	(102,527)	(102,024)
Other	2	(1)		13,048		12,824				
Net change in total pension liability	157,739	233,471	289,190	361,400	383,755	349,460	148,627	211,809	294,063	157,120
TOTAL PENSION LIABILITY BEGINNING	4,851,277	4,617,806	4,328,616	3,967,216	3,583,461	3,234,001	3,085,374	2,873,565	2,579,502	2,422,382
TOTAL PENSION LIABILITY ENDING	\$ 5,009,016	\$ 4,851,277	\$ 4,617,806	\$ 4,328,616	\$ 3,967,216	\$ 3,583,461	\$ 3,234,001	\$ 3,085,374	\$ 2,873,565	\$ 2,579,502
PLAN FIDUCIARY NET POSITION										
Contributions-employer	\$ 174,541	\$ 151,318	\$ 154,893	\$ 109,381	\$ 133,367	\$ 118,501	\$ 110,949	\$ 88,011	\$ 79,836	\$ 68,440
Contributions-employee	45,073	39,064	33,501	21,807	26,813	25,681	24,813	22,430	23,380	21,844
Net Investment income	267,430	364,041	(384,693)	467,314	382,967	351,420	(106,738)	318,889	248,725	(33,959)
Benefit payments including employee refunds	(273,394)	(243,258)	(232,002)	(179,752)	(144,857)	(142,073)	(147,380)	(135,407)	(102,527)	(102,024)
Administrative expense	(7,966)	(7,723)	(6,857)	(5,364)	(5,931)	(6,057)	(5,247)	(5,045)	(4,905)	(4,900)
Net Change in Plan Fiduciary Net Position	205,684	303,442	(435,158)	413,386	392,359	347,472	(123,603)	288,878	244,509	(50,599)
PLAN FIDUCIARY NET POSITION BEGINNING	3,592,675	3,289,233	3,724,391	3,311,005	2,918,646	2,571,174	2,694,777	2,405,899	2,161,390	2,211,989
PLAN FIDUCIARY NET POSITION ENDING	\$ 3,798,359	\$ 3,592,675	\$ 3,289,233	\$ 3,724,391	\$ 3,311,005	\$ 2,918,646	\$ 2,571,174	\$ 2,694,777	\$ 2,405,899	\$ 2,161,390
EMPLOYER NET PENSION LIABILITY	\$ 1,210,657	\$ 1,258,602	\$ 1,328,573	\$ 604,225	\$ 656,211	\$ 664,815	\$ 662,827	\$ 390,597	\$ 467,666	\$ 418,112
Plan fiduciary net position as a percentage of the total pension liability	75.8%	74.1%	71.2%	86.0%	83.5%	81.4%	79.5%	87.3%	83.7%	83.8%
Covered employee payroll	\$ 784,539	\$ 729,315	\$ 732,105	\$ 507,808	\$ 671,194	\$ 611,505	\$ 541,600	\$ 567,344	\$ 541,924	\$ 549,265
Employer's net pension liability as a percentage of covered employee payroll	154.3%	172.6%	181.5%	119.0%	97.8%	108.7%	122.4%	68.8%	86.3%	76.1%

This schedule is presented to illustrate the requirement to show information for 10 years.

VILLAGE OF PINCKNEY

**OTHER POST EMPLOYMENT BENEFIT PLAN
SCHEDULE OF EMPLOYER CONTRIBUTIONS
FOR THE YEAR ENDED JUNE 30, 2025**

	For the Plan Year Ended June 30, 2025	For the Plan Year Ended June 30, 2024	For the Plan Year Ended June 30, 2023	For the Plan Year Ended June 30, 2022	For the Plan Year Ended June 30, 2021	For the Plan Year Ended June 30, 2020	For the Plan Year Ended June 30, 2019
Actuarially determined employer contribution							
Service cost with interest to June 30	\$	\$	\$	\$ 1,972	\$ 1,872	\$ 4,188	\$ 4,076
Amortization of unfunded liability with interest to June 30				2,679	2,679	2,679	2,679
Actuarially determined employer contribution				4,651	4,551	6,867	6,755
Employer contribution							10,000
Contribution deficiency/(excess)	\$	\$	\$	\$ 4,651	\$ 4,551	\$ 6,867	\$ (3,245)
Covered employee payroll	\$ 157,350	\$ 135,373	\$ 136,011	\$ 120,220	\$ 314,336	\$ 305,923	\$ 292,525
Employer contributions as a percentage of covered payroll	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	3.4%

Notes to the schedule of contributions:

Valuation Date:	June 30, 2025
Actuarial methods:	Cost method: Individual Entry Age Normal (level percentage of compensation). Amortization period: 15 years Asset valuation method: Equal to market value of assets.
Actuarial assumptions:	Discount rate: 6.0%; rationale: Matches expected return on assets. Payroll inflation: 2.50%; rationale: Per information provided by Village. Return on plan assets: 6.0%; rationale: Single blended rate of long term real rate of return per asset advisor increased with inflation. Mortality rates: Pub-2010 Annuitant tables

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, only information for those years for which information is available will be presented.

VILLAGE OF PINCKNEY

**OTHER POST EMPLOYMENT BENEFIT PLAN
SCHEDULE OF CHANGES IN NET OPEB LIABILITY AND RELATED RATIOS
FOR THE YEAR ENDED JUNE 30, 2025**

	For the Plan Year Ended							
	June 30, 2025	June 30, 2024	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018
TOTAL OPEB LIABILITY								
Service cost	\$ 1,477	\$ 1,500	\$ 1,432	\$ 3,405	\$ 3,500	\$ 4,066	\$ 3,957	\$ 9,867
Interest	3,566	3,388	3,054	7,804	7,386	8,121	7,435	9,812
Differences between expected and actual experience		654		(82,465)	(2,989)	2,117		(38,600)
Changes of assumptions	3,413	(2,562)	1,018	(3,352)		(26,273)		(8,290)
Benefit payments, including refunds of employee contributions				(5,168)				(18,909)
Net change in total OPEB liability	8,456	2,980	5,504	(79,776)	7,897	(11,969)	11,392	(46,120)
TOTAL OPEB LIABILITY - BEGINNING	57,953	54,973	49,469	129,245	121,348	133,317	121,925	168,045
TOTAL OPEB LIABILITY - ENDING	\$ 66,409	\$ 57,953	\$ 54,973	\$ 49,469	\$ 129,245	\$ 121,348	\$ 133,317	\$ 121,925
PLAN FIDUCIARY NET POSITION								
Contributions to OPEB trust	\$	\$	\$	\$	\$	\$	\$ 10,000	\$ 10,000
Net investment income	8,828	8,027	7,480	8,319	6,624	6,485	8,718	(431)
Differences between projected and actual earnings	5,518	5,559	1,819	(19,456)	24,439	(3,961)		
Benefit payments, including refunds of employee contributions				(5,168)				(18,909)
Administrative expenses	(322)	(140)	(235)	(248)	(229)	(198)	(201)	(223)
Net change in fiduciary net position	14,024	13,446	9,064	(16,553)	30,834	2,326	18,517	(9,563)
PLAN FIDUCIARY NET POSITION, BEGINNING	147,300	133,854	124,790	141,343	110,509	108,183	89,666	99,229
PLAN FIDUCIARY NET POSITION, ENDING	\$ 161,324	\$ 147,300	\$ 133,854	\$ 124,790	\$ 141,343	\$ 110,509	\$ 108,183	\$ 89,666
NET OPEB LIABILITY (ASSET)								
(TOTAL OPEB LIABILITY - PLAN FIDUCIARY NET POSITION)	\$ (94,915)	\$ (89,347)	\$ (78,881)	\$ (75,321)	\$ (12,098)	\$ 10,839	\$ 25,134	\$ 32,259
Plan fiduciary net position as a percentage of total OPEB liability	242.92%	254.17%	243.49%	252.26%	109.36%	91.07%	81.15%	73.54%
Covered employee payroll	\$ 157,350	\$ 135,373	\$ 136,011	\$ 120,220	\$ 314,336	\$ 305,923	\$ 292,525	\$ 284,696
Net OPEB liability (asset) as a percentage of covered employee payroll	-60.32%	-66.00%	-58.00%	-62.65%	-3.85%	3.54%	8.59%	11.33%

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, only information for those years for which information is available will be presented.

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

VILLAGE OF PINCKNEY

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED JUNE 30, 2025

Budget Overruns

The following expenditures exceeded appropriations in the General Fund and General Highway Fund:

	<u>Final Budget</u>	<u>Actual Expenditures</u>	<u>Variance (Unfavorable)</u>
General Fund:			
Village council	\$ 14,498	\$ 16,483	\$ (1,985)
President	21,007	39,574	(18,567)
Legal	66,464	74,066	(7,602)
Office overhead	75,877	100,541	(24,664)
Public works	271,032	303,331	(32,299)
Street lights	<u>17,250</u>	<u>19,235</u>	<u>(1,985)</u>
Total General Fund	466,128	553,230	(87,102)
General Highway Fund	<u>88,281</u>	<u>92,581</u>	<u>(4,300)</u>
Total	<u>\$ 554,409</u>	<u>\$ 645,811</u>	<u>\$ (91,402)</u>

SUPPLEMENTARY INFORMATION

COMBINING FINANCIAL STATEMENTS

VILLAGE OF PINCKNEY

COMBINING BALANCE SHEETS
FUNDS INCLUDED IN GASB 54 CONSOLIDATION
JUNE 30, 2025

	General Fund Pre GASB 54 - Consolidation	Trust and Agency Fund	Total
ASSETS			
Cash and cash equivalents	\$ 2,325,893	\$ 25,974	\$ 2,351,867
Receivables			
Intergovernmental	44,851		44,851
Prepaid expenditures	42,341		42,341
Total assets	<u>\$ 2,413,085</u>	<u>\$ 25,974</u>	<u>\$ 2,439,059</u>
LIABILITIES			
Accounts payable and accrued expenses	\$ 68,393	\$ 3,016	\$ 71,409
Due to others		22,958	22,958
Due to other funds	79,347		79,347
Total liabilities	<u>147,740</u>	<u>25,974</u>	<u>173,714</u>
FUND BALANCES			
Nonspendable			
Prepaid items	42,341		42,341
Assigned			
Future budget deficit	478,343		478,343
Unassigned	1,744,661		1,744,661
Total fund balances	<u>2,265,345</u>		<u>2,265,345</u>
Total liabilities and fund balances	<u>\$ 2,413,085</u>	<u>\$ 25,974</u>	<u>\$ 2,439,059</u>

VILLAGE OF PINCNKEY

COMBINING BALANCE SHEETS
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2025

	Cemetery Fund	Refuse Collection Fund	Total
ASSETS			
Cash and investments	\$ 155,891	\$ 1,002	\$ 156,893
Accounts receivable		117,529	117,529
Prepaid expenditures	325	85	410
Total assets	<u>\$ 156,216</u>	<u>\$ 118,616</u>	<u>\$ 274,832</u>
LIABILITIES			
Accounts payable and accrued expenditures	\$ 265	\$ 10,470	\$ 10,735
FUND BALANCES			
Nonspendable			
Prepaid items	325	85	410
Corpus of permanent fund	57,292		57,292
Restricted			
Public safety		108,061	108,061
Committed			
Cemetery	98,334		98,334
Total fund balances	<u>155,951</u>	<u>108,146</u>	<u>264,097</u>
Total liabilities and fund balances	<u>\$ 156,216</u>	<u>\$ 118,616</u>	<u>\$ 274,832</u>

VILLAGE OF PINCKNEY

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FUNDS INCLUDED IN GASB 54 CONSOLIDATION
FOR THE YEAR ENDED JUNE 30, 2025**

	General Fund Pre GASB 54 Consolidation	Trust and Agency Fund	Total
REVENUES			
Taxes	\$ 737,426	\$	\$ 737,426
State revenues	272,590		272,590
Charges to other governments and funds	171,108		171,108
Grants	6,839		6,839
Rents	57,378		57,378
Licenses, fines and permits	32,214	20,224	52,438
Interest	44,714		44,714
Reimbursements	4,156		4,156
Sale of tower	1,551,413		1,551,413
Other	19,499		19,499
Total revenues	<u>2,897,337</u>	<u>20,224</u>	<u>2,917,561</u>
EXPENDITURES			
Village council	16,483		16,483
President	39,574		39,574
Clerk	74,066		74,066
Auditors	7,890		7,890
Secretary	37,964		37,964
Treasurer	74,331		74,331
Buildings and grounds	20,489		20,489
Legal	24,862		24,862
Elections	3,084		3,084
Office overhead	100,541		100,541
Police	664,241		664,241
Public works	303,331		303,331
Street lights	19,235		19,235
Capital outlay	109,848		109,848
Planning commission	8,560	20,224	28,784
Zoning department	29,975		29,975
Parks and recreation	7,373		7,373
Total expenditures	<u>1,541,847</u>	<u>20,224</u>	<u>1,562,071</u>
Excess of revenues over (under) expenditures	1,355,490		1,355,490
OTHER FINANCING SOURCES (USES)			
Transfer in	565		565
Sale of fixed asset	47,000		47,000
Total other financing sources (uses)	47,565		47,565
Change in estimate	<u>(16,755)</u>		<u>(16,755)</u>
Net change in fund balance	1,386,300		1,386,300
FUND BALANCE, JULY 1, 2024	<u>879,045</u>		<u>879,045</u>
FUND BALANCE, JUNE 30, 2025	<u>\$ 2,265,345</u>	<u>\$</u>	<u>\$ 2,265,345</u>

VILLAGE OF PINCKNEY

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2025

	Cemetery Fund	Refuse Collection Fund	Total
REVENUES			
Charges for services	\$ 12,900	\$ 241,283	\$ 254,183
Interest income	4,873	49	4,922
Total revenues	<u>17,773</u>	<u>241,332</u>	<u>259,105</u>
EXPENDITURES			
Current:			
Public works		234,381	234,381
Cemetery	23,172		23,172
Total expenditures	<u>23,172</u>	<u>234,381</u>	<u>257,553</u>
Net change in fund balance	(5,399)	6,951	1,552
FUND BALANCE, JULY 1, 2024	<u>161,350</u>	<u>101,195</u>	<u>262,545</u>
FUND BALANCE, JUNE 30, 2025	<u>\$ 155,951</u>	<u>\$ 108,146</u>	<u>\$ 264,097</u>

**FUND FINANCIAL STATEMENTS
OF COMPONENT UNIT**

**DOWNTOWN DEVELOPMENT AUTHORITY
FUND FINANCIAL STATEMENTS**

VILLAGE OF PINCKNEY

DOWNTOWN DEVELOPMENT AUTHORITY
BALANCE SHEET
JUNE 30, 2025

ASSETS

Cash and investments	\$ 398,776
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LIABILITIES

Accounts payable	\$ 28,592
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Accrued expenditures	545
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Total liabilities	29,137
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FUND BALANCE	369,639
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Total liabilities and fund balance	\$ 398,776
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VILLAGE OF PINCKNEY

DOWNTOWN DEVELOPMENT AUTHORITY
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
FOR THE YEAR ENDED JUNE 30, 2025

REVENUES

Property taxes	\$ 190,193
Charges for services	1,872
State revenues	883
Miscellaneous	1,015
Interest income	<u>4,670</u>

Total revenues	<u>198,633</u>
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EXPENDITURES

Recreation and culture	<u>180,370</u>
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Net change in fund balance	18,263
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FUND BALANCE, JULY 1, 2024	<u>351,376</u>
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FUND BALANCE, JUNE 30, 2025	<u><u>\$ 369,639</u></u>
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