ANNUAL FINANCIAL REPORT

YEAR ENDED MARCH 31, 2026

GABRIDGE & CO

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INDEPENDENT AUDITOR'S REPORT

To the Members of the Village Council
Village of Webberville, Michigan

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the Village of Webberville (the "Village"), as of and for the year ended March 31, 2026, and the related notes to the financial statements, which collectively comprise the Village's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the Village, as of March 31, 2026, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Village and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Village's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Village's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Village's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, pension plan schedules, and budgetary comparison information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of

management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Village's basic financial statements. The combining and individual nonmajor fund financial statements, as listed in the table of contents, 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 nonmajor fund financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated August 17, 2026, on our consideration of Village's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Village's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Village's internal control over financial reporting and compliance.

Gabridge & Company, PLC
Grand Rapids, Michigan
August 17, 2026

MANAGEMENT'S DISCUSSION AND ANALYSIS

Village of Webberville
Management's Discussion and Analysis
March 31, 2026

As management of the Village of Webberville, Michigan (The "Village" or "government") we offer readers of the Village's financial statements this narrative overview and analysis of the financial activities of the Village for the fiscal year ended March 31, 2026. We encourage readers to consider the information presented here in conjunction with the financial statements.

Financial Highlights

- The assets and deferred outflows of resources of the Village exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by $8,543,653 (net position). Of this amount, $1,803,627 represents unrestricted net position, which may be used to meet the Village's ongoing obligations to citizens and creditors.

- The Village's total revenues were $3,205,843 and total expenses were $4,789,004 leading to an overall decrease in net position of $1,583,161 during the year.

- At the close of the current fiscal year, the Village's governmental funds reported combined fund balances of $1,097,237, an increase of $384,212 in comparison with the prior year.

- At the end of the current fiscal year, unassigned fund balance for the general fund was $745,224, or approximately 21.1% of total general fund expenditures and transfers out.

Overview of the Financial Statements

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

Government-wide Financial Statements. The government-wide financial statements are designed to provide readers with a broad overview of the Village's finances, in a manner similar to a private-sector business.

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

The *statement of activities* presents information showing how the Village's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus,

revenues and expenses are reported for some items that will only result in cash flows in future fiscal periods (e.g., depreciation of capital assets and changes in the Village's net pension liability).

Both of the government-wide financial statements distinguish functions of the Village that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the Village include general government, public safety, public works, and community and economic development. The business-type activities of the Village include water and sewer services.

The government-wide financial statements include not only the Village itself (known as the primary government), but also a legally separate Downtown Development Authority ("DDA") for which the Village is financially accountable. The DDA is reported in a separate column within the government-wide financial statements of the Village.

Fund Financial Statements. A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Village, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Village can be divided into two categories: governmental funds and proprietary funds.

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

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

The Village maintains several individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund and the major street fund, which are considered to be major funds. Data from the local street fund, and municipal street fund, is presented as a separate column as they are considered nonmajor funds.

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

Proprietary Funds. The Village maintains two types of proprietary funds. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The Village uses enterprise funds to account for its water and sewer operations. *Internal service funds* are an accounting device used to accumulate and allocate costs internally among the Village's various functions.

The Village uses internal service funds to account for equipment and allocating the cost to the funds that are using the resources. Because these services predominantly benefit governmental rather than business-type functions, they have been included within the governmental activities in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the water and sewer operations, both of which are considered to be major funds of the Village. The internal service fund data is presented in the proprietary fund financial statements.

Notes to the Financial Statements. The notes provide additional information that is necessary to acquire a full understanding of the data provided in the government-wide and fund financial statements.

Other Information. In addition to the basic financial statements and accompanying notes, this report also presents *required supplementary information* concerning the Village's budgetary comparison schedules and the Village's pension plan schedules.

This report also presents *other supplementary information* which includes the nonmajor fund combining and individual statements. The combining statements are presented immediately following the required supplementary information on pensions.

Government-wide Overall Financial Analysis

As noted earlier, net position over time, may serve as a useful indicator of a government's financial position. In the case of the Village, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by $8,543,653 at the close of the most recent fiscal year.

Village of Webberville's Net Position

	Governmental Activities		Business-type Activities		Total Primary Government	
ASSETS	**2026**	**2025**	**2026**	**2025**	**2026**	**2025**
Current Assets						
Cash and Investments	$ 1,099,907	$ 776,839	$ 3,161,443	$ 2,594,217	$ 4,261,350	$ 3,371,056
Accounts Receivable	11,570	14,751	118,320	164,737	129,890	179,488
Due from State	77,930	74,823	-	-	77,930	74,823
Due from Component Unit	6,834	-	-	-	6,834	-
Prepaids	20,663	23,707	6,164	5,592	26,827	29,299
Total Current Assets	1,216,904	890,120	3,285,927	2,764,546	4,502,831	3,654,666
Noncurrent Assets						
Net Pension Asset	-	-	-	-	-	-
Capital Assets not Being Depreciated	80,564	80,564	88,277	71,117	168,841	151,681
Capital Assets Being Depreciated, net	4,649,081	4,796,901	3,407,696	3,591,316	8,056,777	8,388,217
Total Assets	5,946,549	5,767,585	6,781,900	6,426,979	12,728,449	12,194,564
DEFERRED OUTFLOWS OF RESOURCES						
Pension	18,445	25,851	27,683	38,792	46,128	64,643
Total Deferred Outflows of Resources	18,445	25,851	27,683	38,792	46,128	64,643
LIABILITIES						
Current Liabilities						
Accounts Payable	64,730	34,747	21,109	8,486	85,839	43,233
Accrued Liabilities	61,297	122,880	8,422	7,902	69,719	130,782
Current Portion of Accrued Compensated Absences	-	-	-	-	-	-
Current Portion of Long-term Debt	178,807	87,807	-	-	178,807	87,807
Total Current Liabilities	304,834	245,434	29,531	16,388	334,365	261,822
Noncurrent Liabilities						
Accrued Compensated Absences	3,472	2,209	5,234	3,314	8,706	5,523
Long-term Debt	3,847,505	1,826,312	-	-	3,847,505	1,826,312
Net Pension Liability	134	13,762	202	20,643	336	34,405
Total Liabilities	4,155,945	2,087,717	34,967	40,345	4,190,912	2,128,062
DEFERRED INFLOWS OF RESOURCES						
Pension	16,009	1,736	24,003	2,595	40,012	4,331
Total Deferred Inflows of Resources	16,009	1,736	24,003	2,595	40,012	4,331
NET POSITION						
Net Investment in Capital Assets	2,903,333	2,963,346	3,495,973	3,662,433	6,399,306	6,625,779
Restricted	340,720	274,775	-	-	340,720	274,775
Unrestricted	(1,451,013)	465,862	3,254,640	2,760,398	1,803,627	3,226,260
Total Net Position	$ 1,793,040	$ 3,703,983	$ 6,750,613	$ 6,422,831	$ 8,543,653	$ 10,126,814

The largest portion of the Village's net position, $6,399,306, reflects its investment in capital assets (e.g., land and improvements, buildings and improvements, machinery, equipment, vehicles, and infrastructure), less any related outstanding debt that was used to acquire those assets. The Village uses these capital assets to provide a variety of services to its citizens. Accordingly, these assets are not available for future spending. Although the Village's investment in capital assets is reported net of related debt, it should be noted that the resources used to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the Village's net position, $340,720, represents resources that are subject to external restrictions on how they may be used. The remaining is unrestricted net position of $1,803,627.

Significant changes in assets and liabilities are as follows:

- Cash and investments increased by $890,294. This increase can be attributed to the change in fund balance on the fund level as well as the cash provided from operating activities within the enterprise funds.

- Capital assets had a net decrease of $314,280 due to depreciation expense exceeding additions.

The following schedules summarizes the changes in the Village's net position for the past two fiscal years:

Village of Webberville's Changes in Net Position

	Governmental Activities		Business-type Activities		Total Primary Government	
Revenues	**2026**	**2025**	**2026**	**2025**	**2026**	**2025**
Program Revenues						
Charges for Services	$ 230,710	$ 137,744	$ 1,166,338	$ 1,084,122	$ 1,397,048	$ 1,221,866
Operating Grants and Contributions	343,096	675,390	-	32,200	343,096	707,590
Capital Grants and Contributions	-	-	-	-	-	-
General Revenues						
Taxes	1,055,739	1,062,859	-	-	1,055,739	1,062,859
Unrestricted State Aid	284,868	255,041	-	-	284,868	255,041
Contribution from Component Unit	46,240	-	-	-	46,240	-
Interest Income	20,782	17,088	58,070	47,103	78,852	64,191
Total Revenues	1,981,435	2,148,122	1,224,408	1,163,425	3,205,843	3,311,547
Expenses						
General Government	340,456	337,917	-	-	340,456	337,917
Public Safety	365,072	347,688	-	-	365,072	347,688
Public Works	537,943	438,728	-	-	537,943	438,728
Community and Economic Development	2,625,873	277,624	-	-	2,625,873	277,624
Recreation and Culture	-	-	-	-	-	-
Interest on Long-term Debt	78,502	63,375	-	-	78,502	63,375
Sewer Fund	-	-	395,843	334,241	395,843	334,241
Water Fund	-	-	445,315	463,324	445,315	463,324
Total Expenses	3,947,846	1,465,332	841,158	797,565	4,789,004	2,262,897
Changes in Net Position Before Transfers	(1,966,411)	682,790	383,250	365,860	(1,583,161)	1,048,650
Transfers In (Out)	55,468	-	(55,468)	-	-	-
Changes in Net Position	(1,910,943)	682,790	327,782	365,860	(1,583,161)	1,048,650
Net Position at the Beginning of Period	3,703,983	3,021,193	6,422,831	6,056,971	10,126,814	9,078,164
Net Position at the End of Period	$ 1,793,040	$ 3,703,983	$ 6,750,613	$ 6,422,831	$ 8,543,653	$ 10,126,814

Governmental activities decreased the Village's net position by $1,910,943 while business-type activities increased the Village's net position by $327,782. Following are some of the significant reasons for the decreases in net position:

- The Village had a decrease in operating grants and contributions because they received fewer contributions from local governments as well as fewer state grants.

- Charges for services increased by $175,182 due largely to increases in sales of licenses and permits as well as increased water utility billing sales.

- Community and economic development expenses increased by $2,348,249 largely due to the Village issuing bonds for the DDA and then transferring the bond proceeds to the DDA.

Financial Analysis of Governmental Funds

As noted earlier, the Village uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds. The focus of the Village's *governmental funds* is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Village's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for discretionary use as they represent the portion of fund balance which has not yet been limited to use for a particular purpose by either an external party, the Village itself, or a group or individual that has been delegated authority to assign resources for use for particular purposes by the Village's Council.

At March 31, 2026, the Village's governmental funds reported combined fund balances of $1,097,237, an increase of $384,212 in comparison with the prior year. A portion of the combined fund balance was restricted for particular purposes, $340,720 or nonspendable, $11,293. The remaining fund balance was unassigned fund balance of $745,224.

The general fund is the chief operating fund of the Village. At the end of the current fiscal year, unassigned fund balance of the general fund was $745,224. The fund balance of the Village's general fund increased by $318,267 during the current fiscal year. The Village Council monitors the expenditures of the general fund closely to ensure that spending does not exceed the Village's available resources. The primary reasons for the increase in fund balance were described in an earlier section of this report.

The major street fund, a major fund, had a $36,005 increase in fund balance during the current fiscal year which put the overall fund balance at $144,716. The reason for the increase in fund balance during 2026 is related to having greater Act 51 and other revenues than current year road projects.

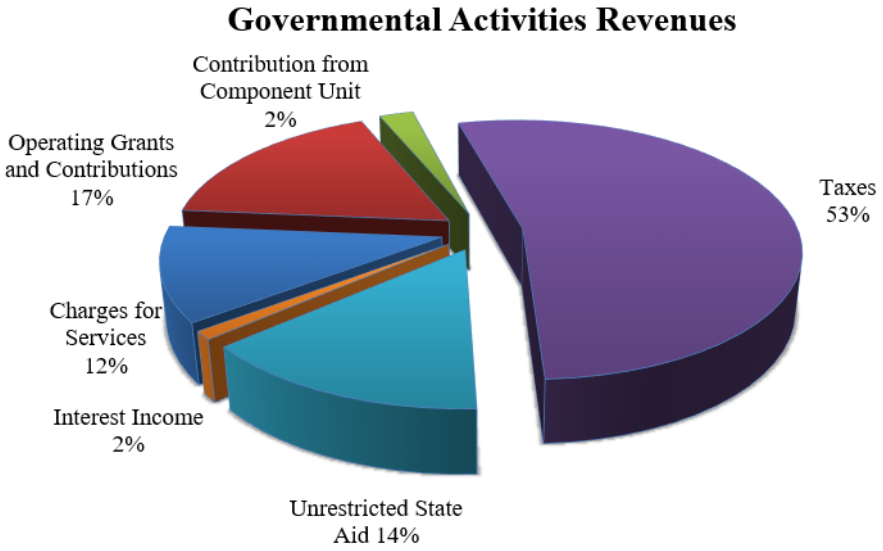
Proprietary Funds. The Village's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

Unrestricted net position at the end of the year was $2,452,226 for the sewer fund and $802,414 for the water fund. The change in net position was an increase of $165,710 for the sewer fund and an increase of $162,072 for the water fund. A summary of the changes in the water and sewer funds net position can be found in the business-type activities paragraph found earlier in this report.

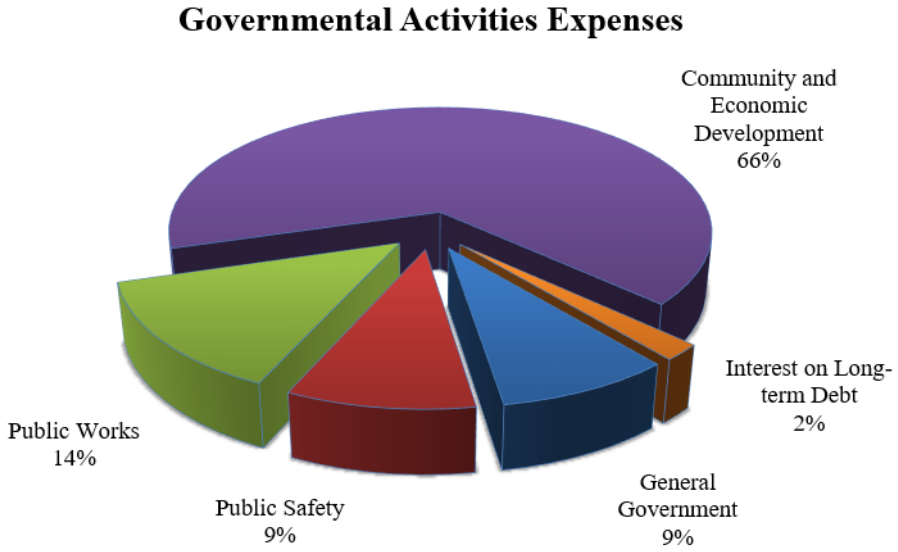
The motor pool fund, the Village's sole internal service fund, increased by $43,983 for an overall net position balance of $248,451.

Governmental Activities

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



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



General Fund Budgetary Highlights

Original budget compared to final budget. There were several budget amendments to the original estimated revenues or appropriated expenditures during the year as actual results became more readily predictable throughout the year.

Final budget compared to actual results. The Village had the following expenditures in excess of the amounts appropriated during the year ended March 31, 2026:

	Final	Actual	Variance
General Fund			
Community and Economic Development	$ 2,603,353	$ 2,625,873	$ (22,520)
Transfers Out	66,500	67,000	(500)

Capital Assets and Debt Administration

Capital assets

The Village's investment in capital assets for its governmental and business-type activities as of March 31, 2026, amounts to $8,225,618 (net of accumulated depreciation). This was a decrease of $314,280 compared to the prior year as additions were exceeded by depreciation expense (Note 4). This investment in capital assets includes land, buildings and improvements, machinery, equipment, vehicles, and water and sewer infrastructure. More detailed information about the Village's capital assets can be found in Note 4.

Long-term Debt

As described in Note 5 to the financial statements, the Village had $4,026,312 in long-term debt at the end of the fiscal year. The Village paid scheduled principal payments of $87,807 and issued $2,200,000 worth of bonds for the DDA. The Village is under its legal debt limit as of year-end. More detailed information about the Village's long-term debt can be found in Note 5.

Economic Condition and Outlook

The activity for 2027 is expected to be similar to the activity of 2026. The Village continues to review all budget line items for opportunities to reduce expenditures when possible. The budget will be monitored during the year to identify any necessary amendments. In 2027, the Village plans again to use current revenues to provide essential services and to maintain the Village's financial reserves at similar levels. Property tax revenues are expected to change minimally reflecting fairly stable property values. The ongoing costs of providing essential services for the citizens of the Village will again need to be monitored in order to maintain the financial condition of the Village.

Contacting the Village

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

Village of Webberville
115 South Main Street
Webberville, Michigan 48892

BASIC FINANCIAL STATEMENTS

Village of Webberville
Statement of Net Position
March 31, 2026

	Primary Government			Component Unit - DDA
	Governmental Activities	Business-type Activities	Total	
ASSETS				
Current Assets				
Cash and Investments	$ 1,099,907	$ 3,161,443	$ 4,261,350	$ 2,757,706
Accounts Receivable	11,570	118,320	129,890	--
Due from State	77,930	--	77,930	--
Due from Component Unit	6,834	--	6,834	--
Prepaids	20,663	6,164	26,827	--
Total Current Assets	1,216,904	3,285,927	4,502,831	2,757,706
Noncurrent Assets				
Capital Assets not being Depreciated	80,564	88,277	168,841	2,388,431
Capital Assets being Depreciated, net	4,649,081	3,407,696	8,056,777	2,268,903
Total Assets	5,946,549	6,781,900	12,728,449	7,415,040
DEFERRED OUTFLOWS OF RESOURCES				
Pension	18,445	27,683	46,128	--
Total Deferred Outflows of Resources	18,445	27,683	46,128	--
LIABILITIES				
Current Liabilities				
Accounts Payable	64,730	21,109	85,839	291,599
Payroll Related Liabilities	8,226	8,422	16,648	--
Deposits	28,100	--	28,100	--
Due to Primary Government	--	--	--	6,834
Accrued Interest Payable	24,971	--	24,971	--
Current Portion of Long-term Debt	178,807	--	178,807	--
Total Current Liabilities	304,834	29,531	334,365	298,433
Noncurrent Liabilities				
Accrued Compensated Absences	3,472	5,234	8,706	--
Long-term Debt	3,847,505	--	3,847,505	--
Net Pension Liability	134	202	336	--
Total Liabilities	4,155,945	34,967	4,190,912	298,433
DEFERRED INFLOWS OF RESOURCES				
Pension	16,009	24,003	40,012	--
Total Deferred Inflows of Resources	16,009	24,003	40,012	--
NET POSITION				
Net Investment in Capital Assets	2,903,333	3,495,973	6,399,306	4,371,831
Restricted for:				
Municipal Streets	189,664	--	189,664	--
Major and Local Streets	151,056	--	151,056	--
Unrestricted	(1,451,013)	3,254,640	1,803,627	2,744,776
Total Net Position	$ **1,793,040**	$ **6,750,613**	$ **8,543,653**	$ **7,116,607**

Village of Webberville
Statement of Activities
For the Year Ended March 31, 2026

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue: Primary Government: Governmental Activities	Net (Expense) Revenue: Primary Government: Business-type Activities	Net (Expense) Revenue: Primary Government: Total	Component Unit - DDA
Primary Government								
Governmental Activities:								
General Government	$ 340,456	$ 196,210	$ 2,031	$ --	$ (142,215)	$ --	$ (142,215)	$ --
Public Safety	365,072	965	2,838	--	(361,269)	--	(361,269)	--
Public Works	537,943	16,825	338,227	--	(182,891)	--	(182,891)	--
Community and Economic Development	2,625,873	16,710	--	--	(2,609,163)	--	(2,609,163)	--
Interest on Long-term Debt	78,502	--	--	--	(78,502)	--	(78,502)	--
Total Governmental Activities	3,947,846	230,710	343,096	--	(3,374,040)	--	(3,374,040)	--
Business-type Activities:								
Sewer Fund	395,843	562,547	--	--	--	166,704	166,704	--
Water Fund	445,315	603,791	--	--	--	158,476	158,476	--
Total Business-type Activities	841,158	1,166,338	--	--	--	325,180	325,180	--
Total Primary Government	$ 4,789,004	$ 1,397,048	$ 343,096	$ --	(3,374,040)	325,180	(3,048,860)	--
Component Units								
Downtown Development Authority	$ 383,230	$ 3,100	$ --	$ --	--	--	--	(380,130)
Total Component Units	$ 383,230	$ 3,100	$ --	$ --	--	--	--	(380,130)
General Purpose Revenues and Transfers:								
Revenues								
Property Taxes					1,055,739	--	1,055,739	1,145,437
Unrestricted State Aid					284,868	--	284,868	--
Interest Income					20,782	58,070	78,852	23,816
Contribution from Primary Government					--	--	--	2,200,000
Contribution from Component Unit					46,240	--	46,240	--
Transfers					55,468	(55,468)	--	--
Total General Revenues and Transfers					1,463,097	2,602	1,465,699	3,369,253
Change in Net Position					**(1,910,943)**	**327,782**	**(1,583,161)**	**2,989,123**
Net Position at Beginning of Period					3,703,983	6,422,831	10,126,814	4,127,484
Net Position at End of Period					**$ 1,793,040**	**$ 6,750,613**	**$ 8,543,653**	**$ 7,116,607**

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

Village of Webberville
Balance Sheet
Governmental Funds
March 31, 2026

	General	Special Revenue: Major Street Fund	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS				
Cash and Investments	$ 790,518	$ 119,664	$ 189,703	$ 1,099,885
Accounts Receivable	11,570	--	--	11,570
Due from State	40,725	28,252	8,953	77,930
Due from Component Unit	6,834	--	--	6,834
Prepaids	11,293	--	--	11,293
Total Assets	$ **860,940**	$ **147,916**	$ **198,656**	$ **1,207,512**
LIABILITIES				
Accounts Payable	$ 59,033	$ 1,833	$ 1,366	$ 62,232
Payroll Related Liabilities	5,573	1,367	1,286	8,226
Deposits	28,100	--	--	28,100
Total Liabilities	92,706	3,200	2,652	98,558
DEFERRED INFLOWS OF RESOURCES				
Unavailable Revenues	11,717	--	--	11,717
Total Liabilities and Deferred Inflows of Resources	104,423	3,200	2,652	110,275
FUND BALANCE				
Nonspendable	11,293	--	--	11,293
Restricted	--	144,716	196,004	340,720
Unassigned	745,224	--	--	745,224
Total Fund Balance	756,517	144,716	196,004	1,097,237
Total Liabilities, Deferred Inflows of Resources and Fund Balance	$ **860,940**	$ **147,916**	$ **198,656**	$ **1,207,512**

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

Village of Webberville
Reconciliation of Governmental Funds Balance Sheet to the Statement of Net Position
March 31, 2026

Total Fund Balance - Governmental Funds	$	1,097,237
Net Position of internal service funds that are treated as proprietary in the fund level statements are treated as governmental in the entity-wide statements		248,451
General government capital assets of $6,686,193, net of accumulated depreciation of $2,198,105, are not financial resources and, accordingly, are not reported in the funds.		4,488,088
Compensated absences are not due and payable in the current period and, therefore, are not reported in the funds.		(3,472)
Unavailable revenues are not available to pay current expenditures and, therefore, are deferred inflows of resources in the funds.		11,717
The net pension liability is not due and payable in the current period; therefore, the liability and related deferred inflows/outflows are not reported in the funds.		2,302
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.		(4,026,312)
In the statement of net position, interest is accrued on outstanding bonds, whereas in the governmental funds, the interest expenditure is reported when due.		(24,971)
Total Net Position - Governmental Activities	$	**1,793,040**

Village of Webberville
Statement of Revenues, Expenditures, and Changes in Fund Balance
Governmental Funds
For the Year Ended March 31, 2026

	General	Special Revenue: Major Street Fund	Nonmajor Governmental Funds	Total Governmental Funds
Revenues				
Property Taxes	$ 963,393	$ --	$ 92,346	$ 1,055,739
Licenses and Permits	127,277	--	--	127,277
Intergovernmental	298,078	150,604	70,141	518,823
Charges for Services	83,900	--	--	83,900
Other Revenue	2,708	--	--	2,708
Interest Income	14,901	2,157	3,581	20,639
Total Revenues	1,490,257	152,761	166,068	1,809,086
Expenditures				
General Government	335,887	--	--	335,887
Public Safety	365,072	--	--	365,072
Public Works	60,376	116,756	107,063	284,195
Community and Economic Development	2,625,873	--	--	2,625,873
Capital Outlay	5,640	--	--	5,640
Debt Service, Principal	40,655	--	47,152	87,807
Debt Service, Interest	28,597	--	32,413	61,010
Total Expenditures	3,462,100	116,756	186,628	3,765,484
Excess of Revenues Over (Under) Expenditures	(1,971,843)	36,005	(20,560)	(1,956,398)
Other Financing Sources (Uses)				
Contribution from Component Unit	46,240	--	--	46,240
Debt Issuance	2,200,000	--	--	2,200,000
Debt Forgiveness	110,870	--	--	110,870
Transfers In	--	--	50,500	50,500
Transfers Out	(67,000)	--	--	(67,000)
Net Other Financing Sources (Uses)	2,290,110	--	50,500	2,340,610
Net Change in Fund Balance	**318,267**	**36,005**	**29,940**	**384,212**
Fund Balance at Beginning of Period	438,250	108,711	166,064	713,025
Fund Balance at End of Period	$ **756,517**	$ **144,716**	$ **196,004**	$ **1,097,237**

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

Village of Webberville
Reconciliation of Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balance with Statement of Activities
For the Year Ended March 31, 2026

Total Net Change in Fund Balances - Governmental Funds	$	384,212
Changes in net position of internal service funds that are treated as proprietary fund changes in net position in the fund level statements are treated as governmental fund changes in net position in the entity-wide statements		43,983
Governmental fund report capital outlay as expenditures; however, in the statement of activities, the cost of those assets is allocated over the estimated useful lives as depreciation expense. This is the amount by which depreciation expense of $204,050 exceeds capital outlay expenditures of $5,640		(198,410)
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 funds. This represents the change in accrued interest during the year.		(17,492)
Change to compensated absences are not shown in the fund financial statements. The net effect of the current year increase is to decrease net position.		(1,263)
Receivables are recorded in the statement of activities as revenues when executed; they are not reported in the funds until collected or collectible within 60 days after year-end.		(1,729)
The statement of activities reports changes to net pension liability (or asset) and pension related deferrals as pension expense; however, the expenditures recorded on the governmental funds equals actual pension contributions.		(8,051)
The issuance of debt is recognized as an other financing source in the fund financial statements as it represents a current financial resource. However, the debt issuance is reported as an increase of long-term liabilities on the government-wide financial statements.		(2,200,000)
Current year long-term debt principal payments on contractual obligations, bonds payable, and capital leases are expenditures in the fund financial statements but are reductions in long-term debt in the government-wide financial statements.		87,807
Changes in Net Position - Governmental Activities	$	**(1,910,943)**

Village of Webberville
Statement of Net Position
Proprietary Funds
March 31, 2026

	Business-type Activities - Enterprise Funds			
	Sewer Fund	**Water Fund**	**Total Enterprise Funds**	**Governmental Activities Internal Service Funds**
ASSETS				
Current Assets				
Cash and Investments	$ 2,403,386	$ 758,057	$ 3,161,443	$ 22
Accounts Receivable	56,802	61,518	118,320	--
Prepaids	2,219	3,945	6,164	9,370
Total Current Assets	2,462,407	823,520	3,285,927	9,392
Noncurrent Assets				
Capital Assets not being Depreciated	21,657	66,620	88,277	--
Capital Assets being Depreciated, net	1,461,969	1,945,727	3,407,696	241,557
Total Assets	3,946,033	2,835,867	6,781,900	250,949
DEFERRED OUTFLOWS OF RESOURCES				
Pension	13,842	13,841	27,683	--
Total Deferred Outflows of Resources	13,842	13,841	27,683	--
LIABILITIES				
Current Liabilities				
Accounts Payable	5,088	16,021	21,109	2,498
Payroll Related Liabilities	4,215	4,207	8,422	--
Total Current Liabilities	9,303	20,228	29,531	2,498
Noncurrent Liabilities				
Accrued Compensated Absences	2,617	2,617	5,234	--
Net Pension Liability	102	100	202	--
Total Liabilities	12,022	22,945	34,967	2,498
DEFERRED INFLOWS OF RESOURCES				
Pension	12,001	12,002	24,003	--
Total Deferred Inflows of Resources	12,001	12,002	24,003	--
NET POSITION				
Net Investment in Capital Assets	1,483,626	2,012,347	3,495,973	241,557
Unrestricted	2,452,226	802,414	3,254,640	6,894
Total Net Position	$ **3,935,852**	$ **2,814,761**	$ **6,750,613**	$ **248,451**

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

Village of Webberville
Statement of Revenues, Expenses, and Changes in Net Position
Proprietary Funds
For the Year Ended March 31, 2026

	Business-type Activities - Enterprise Funds			
	Sewer Fund	**Water Fund**	**Total Enterprise Funds**	**Governmental Activities Internal Service Funds**
Operating Revenues				
Charges for Services	$ 562,547	$ 603,791	$ 1,166,338	$ 70,235
Total Operating Revenues	562,547	603,791	1,166,338	70,235
Operating Expenses				
Wages and Fringes	161,885	160,803	322,688	--
Supplies and Related Expenses	29,934	74,711	104,645	--
Repairs and Maintenance	--	--	--	62,584
Contracted Services	91,157	97,685	188,842	--
Utilities	11,900	18,566	30,466	--
Insurance	1,816	3,228	5,044	7,813
Depreciation	99,151	90,322	189,473	44,791
Total Operating Expenses	395,843	445,315	841,158	115,188
Operating Income (Loss)	166,704	158,476	325,180	(44,953)
Non-Operating Revenues (Expenses)				
Interest Income	45,580	12,490	58,070	143
Gain (Loss) on Sale of Capital Assets	--	--	--	16,825
Net Non-Operating Revenues (Expenses)	45,580	12,490	58,070	16,968
Income Before Transfers	212,284	170,966	383,250	(27,985)
Transfers In	--	--	--	71,968
Transfers Out	(46,574)	(8,894)	(55,468)	--
Change In Net Position	**165,710**	**162,072**	**327,782**	**43,983**
Net Position at Beginning of Period	3,770,142	2,652,689	6,422,831	204,468
Net Position at End of Period	$ **3,935,852**	$ **2,814,761**	$ **6,750,613**	$ **248,451**

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

Village of Webberville
Statement of Cash Flows
Proprietary Funds
For the Year Ended March 31, 2026

	Business-type Activities - Enterprise Funds			Governmental Activities
	Sewer Fund	Water Fund	Total Enterprise Funds	Internal Service Fund
Cash Flows from Operating Activities				
Cash Received from Charges for Services	$ 589,356	$ 623,399	$ 1,212,755	$ -
Cash Received from Interfund Services Provided	-	-	-	70,235
Cash Payments to Employees for Services and Fringe Benefits	(154,623)	(153,549)	(308,172)	-
Cash Payments to Suppliers for Goods and Services	(133,480)	(183,466)	(316,946)	(68,781)
Net Cash Provided by Operating Activities	301,253	286,384	587,637	1,454
Cash Flows from Non-capital Financing Activities				
Transfers In (Out)	(46,574)	(8,894)	(55,468)	71,968
Net Cash Provided (Used) by Non-capital Financing Activities	(46,574)	(8,894)	(55,468)	71,968
Cash Flows from Capital and Related Financing Activities				
Change in Capital Assets	(5,854)	(17,159)	(23,013)	(95,381)
Sale of Capital Assets	-	-	-	16,825
Net Cash Used by Capital and Related Financing Activities	(5,854)	(17,159)	(23,013)	(78,556)
Cash Flows from Investing Activities				
Interest Income	45,580	12,490	58,070	143
Net Cash Provided by Investing Activities	45,580	12,490	58,070	143
Net Increase (Decrease) in Cash and Investments	294,405	272,821	567,226	(4,991)
Cash and Investments - Beginning of Year	2,108,981	485,236	2,594,217	5,013
Cash and Investments - End of Year	$ 2,403,386	$ 758,057	$ 3,161,443	$ 22
Reconciliation of Operating Income (Loss) to Net Cash Provided by Operating Activities				
Operating Income (Loss)	$ 166,704	$ 158,476	$ 325,180	$ (44,953)
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities				
Depreciation Expense	99,151	90,322	189,473	44,791
Changes in Assets and Liabilities				
Accounts Receivable	26,809	19,608	46,417	-
Prepaids	(206)	(366)	(572)	(869)
Accounts Payable	1,533	11,090	12,623	2,485
Payroll Related Liabilities	264	256	520	-
Accrued Compensated Absences	960	960	1,920	-
Net Pension Liability and Related Deferrals	6,038	6,038	12,076	-
Net Cash Provided by Operating Activities	$ 301,253	$ 286,384	$ 587,637	$ 1,454

NOTES TO THE FINANCIAL STATEMENTS

Note 1 - Summary of Significant Accounting Policies

The accounting policies of the Village of Webberville conform to accounting principles generally accepted in the United States of America (GAAP) as applicable to governmental units. The following is a summary of the significant accounting policies used by the Village:

Reporting Entity

The Village of Webberville is located in Ingham County and provides services to its 1,288 residents in many areas including: public safety, public works, and general government. The Village is governed by a five-member council, including a president elected by the citizens of the Village.

The accompanying financial statements present the government and its component units, entities for which the government is considered to be financially accountable. The criteria established by Government Accounting Standards Board (GASB) Statement No. 61, "The Financial Reporting Entity," for determining the reporting entity includes oversight responsibility, fiscal dependency and whether the financial statements would be misleading if the data was not included. The component unit total is reported in a separate column in the government-wide financial statements to emphasize that it is legally separate from the government (see discussion below for description of each component unit).

Discretely Presented Component Unit

Downtown Development Authority

The Downtown Development Authority (DDA) meets the criteria above and is included as a discretely presented component unit of the Village. The Village appoints a voting majority and is able to impose its will on the DDA. It has incurred specific financial burdens in the form of general obligation bonds and is responsible for compliance with federal grants received in conjunction with the DDA's projects. The DDA does not issue any other financial statements.

Blended Component Unit

Webberville Building Authority

The Webberville Building Authority (WBA) is a blended component unit of the Village. The Village council members serve as Trustees. The WBA is charged with the responsibility of building and financing repairs and major improvements to the Village Hall and Library building. A separate report is not prepared for the WBA.

Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from the legally separate component units for which the primary government is financially accountable.

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

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

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenue in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenue is recognized when it is both measurable and available. Revenues are considered to be available if they are collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, expenditures relating to compensated absences, claims, and judgments are recorded only when payment is due.

Revenues are recognized in the accounting period in which they become susceptible to accrual; that is, when they become both measurable and available to finance expenditures of the fiscal period. Property taxes, intergovernmental revenue, charges for services and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been

recognized as revenues of the current fiscal period. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the Village.

The Village reports the following major governmental funds:

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

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

The Village reports the following major enterprise funds:

The ***water fund*** accounts for the cost of providing water services to Village residents. Revenues are primarily from charges to customers for water usage. These revenues are used to pay operating costs and principal and interest on long-term debt.

The ***sewer fund*** accounts for the cost of collecting and treating wastewater. Revenues are primarily from service charges to customers. These revenues are used to operating costs.

Additionally, the Village reports the internal service fund type:

The ***motor pool fund*** accounts for vehicle and equipment use and management services provided to other departments of the Village on a cost reimbursement basis.

Additionally, the government reports ***special revenue funds***, which are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specific purposes other than debt service or capital projects.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

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

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. All

revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Equity

Cash and Cash Equivalents

Cash is considered to be cash on hand, demand deposits, and short-term investments with a maturity of three months or less from the date of acquisition. The statement of cash flows includes both restricted and unrestricted cash and cash equivalents.

Accounts Receivable

Accounts receivable are reported at their gross value and, where appropriate, are reduced by the estimated portion that is expected to be uncollectible. There was no amount reported that is expected to be uncollectible at year-end.

Prepaids

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

Interfund Receivables and Payables

Transactions between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "inter-fund receivables/payables" (i.e., the current portion of inter-fund loans) or "advances to/from other funds" (i.e., the non-current portion of inter-fund loans). All other outstanding balances between funds are reported as "due to/from other funds." Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide statements as “internal balances.”

Advances between funds are offset by a fund balance reserve account in applicable governmental funds to indicate they are not available for appropriation and are not expendable available financial resources.

Capital Assets

Capital assets, which include property, plant and equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items) are reported in the applicable governmental or business-type activities column in the government-wide financial statements. Capital assets are informally defined by the government as assets with an initial individual cost of more than $5,000 and an estimated useful life in excess of a year. Such assets are recorded at cost or estimated historical

cost if purchased or constructed. Donated capital assets are recorded at estimated acquisition value at the date of donation.

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

Property, plant and equipment are depreciated using the straight-line method over the following useful lives:

	Years
Buildings and Building Improvements	20 - 40
Vehicles	3 - 10
Equipment	3 - 10
Infrastructure	20 - 40
Water and Sewer System	20 - 75

Unearned Revenues

Unearned revenues are those where asset recognition criteria have been met but for which revenue recognition criteria have not been met.

Compensated Absences

Under terms of Village policies, eligible employees are granted paid time off in varying amounts based on length of service. Compensated absences are accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in governmental funds only if they have maturity, for example, as a result of employee resignations and retirements.

The Village accrues compensated absences for employees based on leave earned that is attributable to services already rendered and is more likely than not to result in a cash payment or other settlement. Accruals include vacation, sick leave, and paid time off in accordance with the provisions of GASB Statement No. 101.

Long-term Obligations

In the government-wide financial statements and proprietary fund type statements, the long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Pension

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

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position and/or balance sheet will sometimes report a separate section for deferred outflows or inflows of resources. This separate financial statement element represents a consumption of net assets that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) or inflow (revenue) until then. The Village reports both deferred outflows and inflows of resources related to the defined benefit pension plan in its government-wide and its enterprise fund financial statements. The deferred outflows/inflows of resources related to pensions from the following sources: difference between expected and actual experience, changes in assumptions, net difference between projected and actual earnings on pension plan investments, and employer contributions to the plan subsequent to the measurement date. Additionally, governmental funds also report deferred inflows of resources in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period or for resources that have been received, but not yet earned.

Net Position Flow Assumption

Sometimes the government will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted – net position and unrestricted – net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied.

It is the government's policy to consider restricted – net position to have been depleted before unrestricted – net position is applied.

Fund Balance Flow Assumptions

Sometimes the government will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied. It is the government's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted

fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

Fund Balance Policies

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

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

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

Unassigned fund balance is the residual classification for the Village's general fund and includes all spendable amounts not contained in the other classifications and is therefore available to be spent as determined by the Village Council. The general fund is the only fund that reports a positive unassigned fund balance amount. In other governmental funds, the unassigned classification is used only to report a deficit.

Use of Estimates

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

Property Tax Revenue Recognition

The Village's 2025 ad valorem tax was levied and collectible on July 1, 2025. It is the Village's policy to recognize revenues from the current tax levy in the current year when the proceeds of this levy are budgeted and made available for financing operations. Property taxes are recognized when received. The 2025 state taxable valuation amounted to $74,611,636. There were 11.6081 mills for general operations and 1.5919 mills for street improvements. These tax revenues were recognized in the respective general and municipal street funds.

Note 2 - Stewardship, Compliance, and Accountability

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

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

1. The proposed operating budget is submitted to the Village Council for the fiscal year commencing the following April 1.

2. A public hearing is conducted to obtain taxpayer comments.

3. Prior to the first day of the following fiscal year, the budget is legally enacted through passage of a resolution.

4. The legal level of budgetary control is at the activity level for the general fund and the functional level for special revenue funds.

5. Supplemental appropriations that amend total expenditures for any department require Village Council resolution.

6. Budget appropriations lapse at year-end.

7. Adoption and amendments of all budgets used by the Village are governed by Public Act 621, which was followed as of year-end. Expenditures may not exceed appropriations.

Public Act 2 of 1968, as amended, requires the adoption of a balanced budget for general and special revenue funds, as well as budget amendments as needed to prevent actual expenditures from exceeding those provided for in the budget.

The Village had the following expenditures in excess of the amounts appropriated during the year ended March 31, 2026:

	Final	Actual	Variance
General Fund			
Community and Economic Development	$ 2,603,353	$ 2,625,873	$ (22,520)
Transfers Out	66,500	67,000	(500)

Note 3 - Cash and Investments

Michigan Compiled Laws, Section 129.91, 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 has designated four financial institutions for the deposit of Village funds. The investment policy adopted by the Council in accordance with 1943 PA 20, has authorized investment in the instruments described in the preceding paragraph. The Village's deposit and investment policy are in accordance with statutory authority.

At year end, the Village's deposits and investments were reported in the basic financial statements in the following categories:

	Primary Government	Component Unit - DDA	Total
Statement of Net Position			
Cash and Investments	$ 4,261,350	$ 2,757,706	$ 7,019,056
Cash and Investments			
Checking and Savings Accounts			$ 4,862,631
Pooled Investments			2,156,425
Total Cash and Investments			$ 7,019,056
Cash and Cash Equivalents - FDIC Insured			$ 1,000,000
Uninsured			3,899,765
Total Bank Balance			$ 4,899,765

Custodial Credit Risk - Deposits. Custodial credit risk is the risk that, in the event of a bank failure, the Village's deposits might not be returned. State law does not require, and the Village does not have, a policy for deposit custodial credit risk. As of year-end, $4,149,765 of the Villages bank balance of $4,899,765 was exposed to custodial credit risk because it was uninsured and uncollateralized. Due to the dollar amounts of cash deposits and the limits of FDIC insurance, the Village believes it is impractical to insure all bank deposits.

Custodial Credit Risk - Investments

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

The Village will minimize custodial credit risk, which is the risk of loss due to the failure of the security issuer or backer, by; limiting investments to the types of securities allowed by law; and pre-qualifying the financial institutions, broker/dealers, intermediaries and advisors with which the Village will do business.

At year-end, all of the investment securities were uninsured and uncollateralized. The Village's investments as of March 31, 2026 consisted of pooled investments with Michigan CLASS $2,156,425.

Credit Risk - Investments.

State law limits investments to specific government securities, certificates of deposits and bank accounts with qualified financial institutions, commercial paper with specific maximum maturities and ratings when purchased, bankers acceptances of specific financial institutions, qualified mutual funds, and qualified external investment pools as identified in the list of authorized investments in the summary of significant accounting policies. The Village's investment policy does not have specific limits in excess of state law on investment credit risk. All investments are insured under SPIC. The Village's pooled investments with Michigan CLASS of $2,156,425 had a credit risk rating of AAAm by S&P.

Interest Rate Risk

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

The Village held $2,156,425 of pooled investments that have no maturity date.

Concentration of Credit Risk

The Village will minimize concentration of credit risk, which is the risk of loss attributed to the magnitude of the Village's investment in a single issuer, by diversifying the investment portfolio so that the impact of potential losses from any one type of security or issuer will be minimized. Obligations of the U.S. government or obligations explicitly guaranteed by the U.S. government are not considered to have credit risk and do not require disclosure of credit quality.

Fair Value Measurement

The Village is required to disclose amounts within a framework established for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are described as follows:

Level 1: Quoted prices in active markets for identical securities.

Level 2: Prices determined using other significant observable inputs. Observable inputs are inputs that other market participants may use in pricing a security. These may include prices for similar securities, interest rates, prepayment speeds, credit risk and others.

Level 3: Prices determined using significant unobservable inputs. In situations where quoted prices or observable inputs are unavailable or deemed less relevant, unobservable inputs may be used. Unobservable inputs reflect the Village' s own assumptions about the factors market participants would use in pricing an investment and would be based on the best information available.

The Village holds shares in the Michigan CLASS government investment pool whereby the fair value of the investment is measured on a recurring basis using net asset value per share (or its equivalent) of the investment pool as a practical expedient.

At March 31, 2026, the net asset value of the Village's investment in the Michigan CLASS government investment pool was $2,156,425 The investment pool had no unfunded commitments, specific redemption frequency or redemption notice period required. The Michigan CLASS government investment pool invests in U.S. treasury obligations, federal agency obligations of the U.S. government, high-grade commercial paper (rated 'A-1' or better) collateralized bank deposits, repurchase agreements (collateralized at 102% by Treasuries and agencies), and approved money-market funds. The program seeks to provide safety, liquidity, convenience, and competitive rates of return, and is designed to meet the needs of Michigan public sector investors. It purchases securities that are legally permissible under state statutes and are available for investment by Michigan counties, cities, Villages, school districts, authorities and other public agencies.

Note 4 - Capital Assets

Capital asset activities for governmental activities for the year ended March 31, 2026 were as follows:

Governmental Activities	Beginning Balance	Additions	Reductions	Ending Balance
Capital Assets not Being Depreciated:				
Land	$ 80,564	$ -	$ -	$ 80,564
Subtotal	80,564	-	-	80,564
Capital Assets Being Depreciated:				
Motor Pool Equipment	593,672	100,557	51,754	642,475
Buildings and Building Improvements	952,475	5,640	-	958,115
Office Equipment	43,445	-	-	43,445
DPW Equipment	52,800	-	25,000	27,800
Flowage Rights	3,142,918	-	-	3,142,918
Infrastructure	2,433,351	-	-	2,433,351
Subtotal	7,218,661	106,197	76,754	7,248,104
Less Accumulated Depreciation for:				
Motor Pool Equipment	402,705	44,791	46,578	400,918
Buildings and Building Improvements	687,106	12,111	-	699,217
Office Equipment	39,735	1,237	-	40,972
DPW Equipment	52,800	-	25,000	27,800
Flowage Rights	729,343	78,573	-	807,916
Infrastructure	510,071	112,129	-	622,200
Subtotal	2,421,760	248,841	71,578	2,599,023
Capital Assets Being Depreciated, Net	4,796,901	(142,644)	5,176	4,649,081
Capital Assets, Net	$ 4,877,465	$ (142,644)	$ 5,176	$ 4,729,645

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

Governmental Activities	
General Government	$ 5,619
Public Works	198,431
Depreciation Charged to the Motor Pool Internal Service Fund	44,791
Total Depreciation	$ 248,841

Capital asset activities for business-type activities for the year ended March 31, 2026 were as follows:

Business-type Activities	Beginning Balance	Additions	Reductions	Ending Balance
Capital Assets not Being Depreciated:				
Land	$ 71,117	$ -	$ -	$ 71,117
Construction in Progress	-	17,160	-	17,160
Subtotal	71,117	17,160	-	88,277
Capital Assets Being Depreciated:				
Sewer System	3,781,203	5,853	-	3,787,056
Water System	3,914,583	-	-	3,914,583
Subtotal	7,695,786	5,853	-	7,701,639
Less Accumulated Depreciation for:				
Sewer System	2,225,936	99,151	-	2,325,087
Water System	1,878,534	90,322	-	1,968,856
Subtotal	4,104,470	189,473	-	4,293,943
Capital Assets Being Depreciated, Net	3,591,316	(183,620)	-	3,407,696
Capital Assets, Net	$ 3,662,433	$ (166,460)	$ -	$ 3,495,973

Depreciation expense was charged to the business-type funds of the Village as follows:

Business-type Activities	
Sewer Fund	$ 99,151
Water Fund	90,322
Total Depreciation	$ 189,473

Capital asset activities for the Downtown Development Authority (discretely presented component unit) activities for the year ended March 31, 2026 were as follows:

Component Unit - DDA	Beginning Balance	Additions	Reductions	Ending Balance
Capital Assets not Being Depreciated:				
Land	$ 708,788	$ -	$ -	$ 708,788
Construction in Progress	56,990	1,622,653	-	1,679,643
Subtotal	765,778	1,622,653	-	2,388,431
Capital Assets Being Depreciated:				
Buildings and Building Improvements	424,634	89,161	-	513,795
Flowage Rights	2,030,000	-	-	2,030,000
Infrastructure	1,043,729	-	-	1,043,729
Streetscape	57,164	-	-	57,164
Subtotal	3,555,527	89,161	-	3,644,688
Less Accumulated Depreciation for:				
Buildings and Building Improvements	14,430	19,469	-	33,899
Flowage Rights	1,065,750	50,750	-	1,116,500
Infrastructure	127,471	52,186	-	179,657
Streetscape	42,871	2,858	-	45,729
Subtotal	1,250,522	125,263	-	1,375,785
Capital Assets Being Depreciated, Net	2,305,005	(36,102)	-	2,268,903
Capital Assets, Net	$ 3,070,783	$ 1,586,551	$ -	$ 4,657,334

Depreciation expense of $125,263 was entirely charged to community and economic development.

Note 5 - Long-term Obligations

Long-term obligations activity for the year ended March 31, 2026 was as follows:

Governmental Activities:	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Other Debt					
General Assessment of Drains	$ 1,914,119	$ -	$ (87,807)	$ 1,826,312	$ 87,807
2026 Downtown Development Bond Interest of 4.66%	-	2,200,000	-	2,200,000	91,000
Compensated Absences	2,209	1,263	-	3,472	-
Total Long-term Debt, Governmental Activities:	1,916,328	2,201,263	(87,807)	4,029,784	178,807
Business-Type Activities:					
Other Debt					
Compensated Absences	3,314	1,920	-	5,234	-
Total Long-term Debt, Business-type Activities:	3,314	1,920	-	5,234	-
Total Long-term Obligations, Primary Government:	$ 1,919,642	$ 2,203,183	$ (87,807)	$ 4,035,018	$ 178,807

The annual requirements, excluding accrued employee benefits, to maturity on the total long-term debt obligations outstanding at March 31, 2026 are as follows:

March 31,	Principal	Interest	Total
2027	$ 178,807	$ 132,903	$ 311,710
2028	155,807	150,854	306,661
2029	159,807	144,757	304,564
2030	162,807	138,496	301,303
2031	166,807	132,073	298,880
2032-2036	863,368	560,730	1,424,098
2037-2041	993,368	376,988	1,370,356
2042-2046	1,162,368	158,645	1,321,013
2047-2050	183,173	12,727	195,900
Totals	$ 4,026,312	$ 1,808,173	$ 5,834,485

The general fund, primarily, pays the governmental activities compensated absences while both the general fund and municipal street fund pay the drain assessment debt obligations within governmental activities.

The descriptions for the Village's long-term obligations are as follows:

General Assessment of Drains - The Village is assessed for drains at large by the Ingham County Drain Commission. Principal and interest payments are payable annually on February 14 with interest accruing from 1% to 5%. The assessments cover the Village's and DDA's share of the cost for drains.

2026 DDA Bonds. $2,200,000 limited tax general obligation bonds were issued on January 27, 2026. Principal and interest payments are due annually on May 1 with and interest rate of 4.66%, maturing on May 1, 2045.

The 2026 DDA bonds are expected to be repaid from DDA captured property tax revenue. The bonds are secured by the full faith and credit of the Village of Webberville

Note 6 - Interfund Transactions

The composition of interfund transfers as of March 31, 2026 was as follows:

Paying Fund	Receiving Fund	Amount
General Fund	Local Streets Fund	$ 50,500
General Fund	Motor Pool Fund	16,500
Water Fund	Motor Pool Fund	8,894
Sewer Fund	Motor Pool Fund	46,574

All amounts due from other funds represent advances to other funds to finance operations.

Note 7 - Construction Code Fees

The Village oversees building construction, in accordance with the State's Construction Code Act, including inspection of building construction and renovation to ensure compliance with the building codes. The Village charges fees for these services. The law requires that collection of these fees be used only for construction code costs, including an allocation of estimated overhead costs.

A summary of the current year activity and shortfall is as follows:

Cumulative Surplus/(Shortfall) at March 31, 2025	$ (19,680)
Current Year Construction Permit Revenue	126,312
Related Expenses - Direct Costs	(111,268)
Current Year Surplus/(Shortfall)	15,044
Cumulative Surplus/(Shortfall) at March 31, 2026	$ (4,636)

Note 8 - Employee Retirement Systems and Plans

General Information about the Plan

Plan Description. The primary government participates in the Municipal Employees' Retirement System (MERS) of Michigan, a defined benefit pension plan providing certain retirement, disability and death benefits to plan members and beneficiaries. 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. Public Act 427 of 1984, as amended, establishes and amends the benefit provisions of the participants in MERS. MERS issues a publicly available financial report that includes financial statements and required supplementary information. This report may be obtained accessing the MERS website at www.mersofmich.com.

Benefits Provided. Pension benefits are calculated as final average compensation (based on a five-year period) and a multiplier of 1.70% with no max. Participants are considered to be fully vested in the plan after 6 years. Normal retirement age is 60 with reduced early retirement options available of 50/25 or 55/15.

Employees Covered by Benefit Terms. At December 31, 2025 (the valuation date), plan membership for governmental activities consisted of the following:

Inactive employees or beneficiaries currently receiving benefits	7
Inactive employees entitled to but not yet receiving benefits	4
Active employees	6
Total membership	17

Contributions. The employer is required to contribute amounts at least equal to the actuarially determined rate, as established by the MERS Retirement Board. The actuarially determined rate is the estimated amount necessary to finance the cost of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The employer may establish contribution rates to be paid by its covered employees. Covered employee contributions are expressed as a percentage of payroll, where applicable.

Employer contributions are expressed as a percentage of payroll for the plan as a whole with an employer contribution rate of 5.32% and an employee contribution rate of 5.50%.

Net Pension Liability. The Village's net pension liability was measured as of December 31, 2025 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of the same date.

Actuarial Assumptions. The total pension liability in the December 31, 2025 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50%
Salary Increases	3.0% plus merit and longevity: 3.0% in the long-term
Investment Rate of Return	6.79%, net of investment and administrative 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 a price inflation of 3%-4%.

Mortality rates used were based on a version of Pub-2010 and fully generational MP-2021.

The actuarial assumptions used in valuation were based on the results of the most recent actuarial experience study of 2019-2023, first used in the December 31, 2024 actuarial valuation.

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

Asset Class	Target Allocation	Target Allocation Gross Rate of Return	Long-term Expected Gross Rate of Return	Inflation Assumption	Long-term Expected Real Rate of Return
Global equity	60.00%	6.79%	4.07%	2.50%	2.57%
Global fixed income	20.00%	4.35%	0.87%	2.50%	0.37%
Private investments	20.00%	9.25%	1.85%	2.50%	1.35%
Total	100.00%		6.79%		4.29%

Discount Rate. The discount rate used to measure the total pension liability is 7.04%. The current discount rate shown for GASB 68 purposes is higher than the MERS assumed rate of return. This is because, for GASB 68 purposes, the discount rate must be gross of administrative expenses, whereas for funding purposes, it is net of administrative expenses. The projection of cash flows used to determine the discount rate assumes that employer and employee contributions will be made at the rates agreed upon for employees and the actuarially determined rates for employers. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to pay all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Change in Discount Rate

Effective at the end of the fiscal year, the discount rate used to measure the total pension liability has been reduced from 7.18% to 7.04%. This change reflects updated expectations for long-term investment returns and other economic factors.

Changes in Net Pension Liability. The components of the change in the net pension liability are summarized as follows:

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances at December 31, 2024	$ 862,088	$ 827,683	$ 34,405
Service cost	31,003	-	31,003
Interest	61,259	-	61,259
Differences between expected and actual experience	21,433	-	21,433
Changes in actuarial assumptions	14,799	-	14,799
Employer contributions	-	17,882	(17,882)
Employee contributions	-	18,670	(18,670)
Net investment income	-	127,689	(127,689)
Benefit payments, including refunds	(48,790)	(48,790)	-
Administrative expense	-	(1,678)	1,678
Net changes	79,704	113,773	(34,069)
Balances at December 31, 2025	$ 941,792	$ 941,456	$ 336

Sensitivity of the Net Pension Liability to Changes in the Discount Rate. The following presents the net pension liability of the Village's governmental activities, calculated using the discount rate of 7.04%, as well as what the Village's net pension liability would be if it were calculated using a discount rate that is 1% lower (6.04%) or 1% higher (8.04%) than the current rate:

	1% Decrease (6.04%)	Current Discount Rate (7.04%)	1% Increase (8.04%)
Village's net pension liability (asset)	$ 124,884	$ 336	$ (96,499)

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 Outflows/Inflows of Resources Related to Pensions. For the year ended March 31, 2026, the Village recognized pension expense of $37,849.

The Village reported pension-related deferred outflows/inflows of resources from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between projected and actual earnings on pension plan investments	$ -	$ 39,361
Differences between expected and actual experience	28,387	-
Changes in assumptions	13,403	651
*Employer contributions (refunds) to the plan subsequent to the measurement date	4,338	-
Total	$ 46,128	$ 40,012

* The amount reported as deferred outflows of resources resulting from contributions subsequent to the measurement date will be recognized as a reduction in the net pension liability for the year ending March 31, 2027.

Amounts reported as pension-related deferred outflows/inflows of resources will be recognized in pension expense (income) as follows:

Year Ended March 31,	Amount
2027	$ 24,441
2028	(9,112)
2029	(7,045)
2030	(6,506)

Note 9 - Risk Management

The Village is exposed to various risks of loss related to property loss, torts, errors and omissions and employee injuries (workers' compensation). The Village purchased commercial insurance coverage through various policies for general liability, property, vehicle and workman's compensation claims. Settled claims relating to the commercial insurance have not exceeded the amount of insurance coverage in any of the past three years.

The Michigan Township's Participating Plan (Plan) operates as an insurance pool for local units of government in Michigan. The Plan purchases commercial insurance on behalf of its members at a lower cost than would be available on an individual basis.

Note 10 - Tax Abatements

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

For the fiscal year ended March 31, 2026, the Village abated property taxes totaling $42,748 under Public Act 198 of 1974, related to industrial facilities, which represents a 50% abatement of the millage rate on certain real and personal properties.

Note 11 - Subsequent Events

Management is not aware of any subsequent events as of August 17, 2026, that would have a material effect on the financial condition of the Village.

REQUIRED SUPPLEMENTARY INFORMATION

Village of Webberville
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
General Fund
For the Year Ended March 31, 2026

	Budgeted Amounts			Variance Favorable (Unfavorable)
	Original	Final	Actual	Final to Actual
Revenues				
Property Taxes	$ 1,006,305	$ 976,168	$ 963,393	$ (12,775)
Licenses and Permits	41,200	146,965	127,277	(19,688)
Intergovernmental	307,795	320,037	298,078	(21,959)
Charges for Services	66,000	80,500	83,900	3,400
Other Revenue	2,500	2,500	2,708	208
Interest Income	11,400	15,233	14,901	(332)
Total Revenues	1,435,200	1,541,403	1,490,257	(51,146)
Other Financing Sources				
Contribution from Component Unit	10,000	46,240	46,240	--
Debt Issuance	--	2,200,000	2,200,000	--
Debt Forgiveness	--	110,870	110,870	--
Total Revenues and Other Financing Sources	1,445,200	3,898,513	3,847,367	(51,146)
Expenditures				
General Government	340,941	375,687	335,887	39,800
Public Safety	365,072	365,072	365,072	--
Public Works	62,000	62,300	60,376	1,924
Community and Economic Development	314,200	2,603,353	2,625,873	(22,520)
Capital Outlay	325,000	25,000	5,640	19,360
Debt Service, Principal	40,655	40,655	40,655	--
Debt Service, Interest	29,345	29,345	28,597	748
Total Expenditures	1,477,213	3,501,412	3,462,100	39,312
Other Financing Uses				
Transfers Out	6,500	66,500	67,000	(500)
Total Expenditures and Other Financing Uses	1,483,713	3,567,912	3,529,100	38,812
Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses	(38,513)	330,601	318,267	(12,334)
Net Change in Fund Balance	**(38,513)**	**330,601**	**318,267**	**(12,334)**
Fund Balance at Beginning of Period	438,250	438,250	438,250	--
Fund Balance at End of Period	$ **399,737**	$ **768,851**	$ **756,517**	$ **(12,334)**

Village of Webberville
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Major Street Fund
For the Year Ended March 31, 2026

	Budgeted Amounts			Variance Favorable (Unfavorable)
	Original	Final	Actual	Final to Actual
Revenues				
Intergovernmental	$ 148,645	$ 148,645	$ 150,604	$ 1,959
Interest Income	1,900	2,100	2,157	57
Total Revenues	150,545	150,745	152,761	2,016
Expenditures				
Public Works	110,132	133,184	116,756	16,428
Total Expenditures	110,132	133,184	116,756	16,428
Excess (Deficiency) of Revenues Over Expenditures	40,413	17,561	36,005	18,444
Net Change in Fund Balance	**40,413**	**17,561**	**36,005**	**18,444**
Fund Balance at Beginning of Period	108,711	108,711	108,711	--
Fund Balance at End of Period	$ **149,124**	$ **126,272**	$ **144,716**	$ **18,444**

Village of Webberville
Required Supplementary Information
Schedule of Changes in Net Pension Liability (Asset) and Related Ratios
Last Ten Plan Years

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Total Pension Liability										
Service Cost	$ 31,003	$ 27,867	$ 30,787	$ 23,431	$ 28,159	$ 23,011	$ 25,466	$ 19,719	$ 17,438	$ 14,584
Interest	61,259	57,243	52,552	50,803	46,835	46,344	43,062	41,231	37,858	35,704
Change in Benefits	-	-	10,270	-	-	-	-	-	-	-
Differences Between Expected and Actual Experience	21,433	15,276	14,411	(13,416)	20,126	(50,090)	18,068	(11,595)	19,161	6,999
Changes in Actuarial Assumptions*	14,799	(1,302)	6,257	-	27,095	14,129	15,490	-	-	-
Benefit Payments, Including Refunds	(48,790)	(40,645)	(40,186)	(40,541)	(30,201)	(28,816)	(28,816)	(28,816)	(28,816)	(25,517)
Other Changes	-	-	-	-	-	-	(1,061)	-	(9,238)	-
Net Change in Pension Liability	79,704	58,439	74,091	20,277	92,014	4,578	72,209	20,539	36,403	31,770
Total Pension Liability - Beginning	862,088	803,649	729,558	709,281	617,267	612,689	540,480	519,941	483,538	451,768
Total Pension Liability - Ending (a)	$ 941,792	$ 862,088	$ 803,649	$ 729,558	$ 709,281	$ 617,267	$ 612,689	$ 540,480	$ 519,941	$ 483,538
Plan Fiduciary Net Position										
Contributions - Employer	$ 17,882	$ 15,547	$ 14,937	$ 12,722	$ 36,465	$ 32,431	$ 32,050	$ 28,653	$ 26,167	$ 27,643
Contributions - Member	18,670	17,285	17,686	14,245	16,768	14,553	16,769	12,326	11,489	11,059
Net Investment Income (Loss)	127,689	58,280	78,895	(83,857)	98,368	79,804	69,849	(20,474)	61,046	46,706
Benefit Payments, Including Refunds	(48,790)	(40,645)	(40,186)	(40,541)	(30,201)	(28,816)	(28,816)	(28,816)	(28,816)	(25,517)
Administrative Expenses	(1,678)	(1,738)	(1,672)	(1,490)	(1,127)	(1,219)	(1,206)	(1,011)	(965)	(920)
Other Changes	-	-	-	(750)	(1,899)	(25)	(1,311)	(2,050)	(11,738)	(750)
Net Change in Plan Fiduciary Net Position	113,773	48,729	69,660	(99,671)	118,374	96,728	87,335	(11,372)	57,183	58,221
Plan Fiduciary Net Position - Beginning	827,683	778,954	709,294	808,965	690,591	593,863	506,528	517,900	460,717	402,496
Plan Fiduciary Net Position - Ending (b)	$ 941,456	$ 827,683	$ 778,954	$ 709,294	$ 808,965	$ 690,591	$ 593,863	$ 506,528	$ 517,900	$ 460,717
Net Pension Liability (Asset) - Ending (a) - (b)	$ 336	$ 34,405	$ 24,695	$ 20,264	$ (99,684)	$ (73,324)	$ 18,826	$ 33,952	$ 2,041	$ 22,821
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	100.0%	96.0%	96.9%	97.2%	114.1%	111.9%	96.9%	93.7%	99.6%	95.3%
Covered Payroll	$ 341,815	$ 267,949	$ 320,031	$ 249,527	$ 313,227	$ 301,829	$ 305,346	$ 250,238	$ 222,708	$ 193,421
Net Pension Liability (Asset) as a Percentage of Covered Payroll	0.1%	12.8%	7.7%	8.1%	-31.8%	-24.3%	6.2%	13.6%	0.9%	11.8%

Notes to Schedule:

**The following were significant changes to economic and demographic assumptions:*

2015 valuation - The investment rate of return assumption was reduced from 8.25% to 8.0%, the wage inflation assumption was reduced from 4.50% to 3.75%, inflation rates changed from 3.0-4.0% to 3.25%, and the mortality assumption was updated to be based on the RP-2014 tables.

2019 valuation - The investment rate of return assumption was reduced from 8.00% to 7.60%, the wage inflation assumption was reduced from 3.75% to 3.00%.

2020 valuation - Mortality rates were changed to the recently issued Pub-2010 mortality general rates as published by the Society of Actuaries along with a change to sex-distinct assumptions.

2021 valuation - The investment rate of return assumption was reduced from 7.60% to 7.25%.

2023 valuation - The investment rate of return assumption was reduced from 7.25% to 7.18%.

2025 valuation - The investment rate of return assumption was reduced from 7.18% to 7.04%.

Village of Webberville
Required Supplementary Information
Schedule of Contributions
Last Ten Fiscal Years

	2026	2025	2024	2023	2022	2021	2020	2019	2018	2017
Actuarially Determined Contribution	$ 17,721	$ 12,024	$ 15,659	$ 10,707	$ 13,366	$ 8,617	$ 8,694	$ 4,472	$ 2,167	$ 5,625
Contributions in Relation to the Actuarially Determined Contribution	17,721	16,113	15,659	10,707	33,366	32,617	32,694	28,653	26,167	27,643
Contribution Deficiency (Excess)	$ -	$ (4,089)	$ -	$ -	$ (20,000)	$ (24,000)	$ (24,000)	$ (24,181)	$ (24,000)	$ (22,018)
Covered Payroll	333,609	315,321	317,951	272,653	310,346	283,445	301,829	305,346	250,238	222,708
Contributions as a Percentage of Covered Payroll	5.3%	5.1%	4.9%	3.9%	10.8%	11.5%	10.8%	9.4%	10.5%	12.4%

Notes

Valuation Date:

Actuarially determined contribution amounts are calculated as of December 31 each year, which is 15 months prior to the beginning of the fiscal year in which the contributions are required.

Methods and assumptions used to determine contribution rates

Actuarial cost method	Entry-age normal
Amortization method	Level percentage of pay, open
Remaining amortization period	15 Years
Asset valuation method	5-Year smoothed
Inflation	2.50%
Salary increases	3% plus merit and longevity
Investment rate of return	6.93%, net of investment expenses, including inflation
Retirement age	Experience-based tabes of rates that are specific to the type of eligibility condition
Mortality	Pub-2010 and fully generational MP-2019

Other Supplementary Information

Village of Webberville
Combining Balance Sheet
Nonmajor Governmental Funds
March 31, 2026

	Special Revenue		
	Local Street Fund	Municipal Street Fund	Total Nonmajor Governmental Funds
ASSETS			
Cash and Investments	$ 39	$ 189,664	$ 189,703
Due from State	8,953	--	8,953
Total Assets	$ **8,992**	$ **189,664**	$ **198,656**
LIABILITIES			
Accounts Payable	$ 1,366	$ --	$ 1,366
Payroll Related Liabilities	1,286	--	1,286
Total Liabilities	2,652	--	2,652
FUND BALANCE			
Restricted	6,340	189,664	196,004
Unassigned	--	--	--
Total Fund Balance	6,340	189,664	196,004
Total Liabilities and Fund Balance	$ **8,992**	$ **189,664**	$ **198,656**

Village of Webberville
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance
Nonmajor Governmental Funds
For the Year Ended March 31, 2026

	Special Revenue		
	Local Street Fund	**Municipal Street Fund**	**Total Nonmajor Governmental Funds**
Revenues			
Property Taxes	$ --	$ 92,346	$ 92,346
Intergovernmental	47,451	22,690	70,141
Interest Income	26	3,555	3,581
Total Revenues	47,477	118,591	166,068
Expenditures			
Public Works	106,786	277	107,063
Debt Service, Principal	--	47,152	47,152
Debt Service, Interest	--	32,413	32,413
Total Expenditures	106,786	79,842	186,628
Excess of Revenues Over (Under) Expenditures	(59,309)	38,749	(20,560)
Other Financing Sources (Uses)			
Transfers In	50,500	--	50,500
Net Other Financing Sources (Uses)	50,500	--	50,500
Net Change in Fund Balance	**(8,809)**	**38,749**	**29,940**
Fund Balance at Beginning of Period	15,149	150,915	166,064
Fund Balance at End of Period	$ **6,340**	$ **189,664**	$ **196,004**

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

To the Members of the Village Council
Village of Webberville, Michigan

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the Village of Webberville (the "Village"), as of and for the year ended March 31, 2026, and the related notes to the financial statements, which collectively comprise the Village's basic financial statements, and have issued our report thereon dated August 17, 2026.

Internal Control over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Village's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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

Gabridge & Company, PLC
Grand Rapids, MI
August 17, 2026

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August 17, 2026

To the Members of the Village Council
Village of Webberville, Michigan

We have audited the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the Village of Webberville (the "Village") as of and for the year ended March 31, 2026. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards and *Government Auditing Standards*, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated March 18, 2026. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Village are described in Note 1 to the financial statements. There were no new accounting policies adopted and the application of existing policies was not changed during the fiscal year ended March 31, 2026. We noted no transactions entered into by the governmental unit during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

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

- Management's estimate of the useful lives of depreciable capital assets is based on the length of time it is believed that those assets will provide some economic benefit in the future.

- Management's estimate of the accrued compensated absences and the related pay rates as of year-end.

- The assumptions used in the valuations of the pension plan are based on historical trends and industry standards.

We evaluated the key factors and assumptions used to develop these estimates and determined that they are reasonable in relation to the basic financial statements taken as a whole and in relation to the applicable opinion units.

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

Difficulties Encountered in Performing the Audit

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

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. There were no misstatements identified during the course of the audit.

Disagreements with Management

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

Management Representations

We have requested certain representations from management that are included in the management representation letter dated August 17, 2026.

Management Consultations with Other Independent Accountants

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

Other Audit Findings or Issues

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

Other Matters

We applied certain limited procedures to the budgetary comparison schedules, the pension plan schedules, and management's discussion and analysis, which are required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

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

Restriction on Use

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

Gabridge & Company

Gabridge & Company, PLC
Grand Rapids, MI