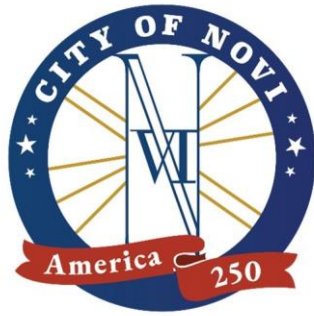


MEMORANDUM



TO: HONORABLE MAYOR AND CITY COUNCIL MEMBERS
CC: LEADERSHIP GROUP
FROM: MARIA FARRIS, FINANCE DIRECTOR
SUBJECT: 60 DAY FINANCIAL REPORT AS OF JUNE 30, 2026
DATE: AUGUST 25, 2026

The City's Charter specifies in Section 4.7 (City Manager) that a report be produced within 60 days from fiscal year end, June 30th, highlighting year-to-date revenue and expenditure activity. The following correspondence fulfills the provision with data through the fourth quarter ending June 30, 2026 (see attached report for budget-to-actual by category by fund information). While the attached report has not been audited, City Administration is confident that most of the material activity is properly recorded and represents a sound estimate where the final audited numbers will be reflected later this year.

GENERAL FUND

The Fiscal Year 2025-26 General Fund amended budget reflects revenues exceeding expenditures (increase of fund balance) of \$103,951. Fund balance was originally budgeted to increase by \$1,076,638.

Original Budget - Increase to Fund Balance	\$ 1,076,638	
Budget Amendment #1 & Encumbrance Roll		
State Sources	104,535	
Other Service and Charges	(90,258)	City Council & Community Development
Supplies	(5,693)	Integrated Solutions - Facilities Maintenance
Capital Outlay	(509,761)	Integrated Solutions - Facilities Maintenance, Public Works, & Community Relations
Change in Fund Balance	(501,177)	
Budget Amendment #2		
State Sources	23,155	
Federal Sources	25,000	
Donations	6,000	
Personnel Services	(12,800)	City Clerks & Assessing
Other Service and Charges	(527,880)	City Council, Police, Fire, & Public Works - Fleet
Capital Outlay	355,050	Police, Fire, Public Works - Field Operations & Fleet
Change in Fund Balance	(131,475)	
Budget Amendment #3		
State Sources	208,818	
Personnel Services	(366,000)	Fire
Other Service and Charges	(124,500)	Assessing & Police
Capital Outlay	93,169	Fire
Change in Fund Balance	(188,513)	
Budget Amendment #4		
State Sources	60,000	
Personnel Services	(32,400)	Police
Other Service and Charges	(179,122)	Police & Public Works - Field Operations
Change in Fund Balance	(151,522)	
Amended Budget - Increase in Fund Balance	\$ 103,951	

Revenues

Currently, total General Fund revenues through the fourth quarter are \$45,977,605, which is greater than prior year's revenue, at approximately \$1.2 million. Property taxes rose by about \$1.4 million due to an increase in taxable value, increasing from 67% to 69% of budgeted revenues, which remains consistent with the prior year. State grants increased this year compared to the prior year by \$447,244 while State shared revenue decreased by \$263,422 when compared to the prior year. Interest income through fourth quarter was \$1,493,024, a decrease compared to prior year of \$433,021.

Expenditures

Currently, total General Fund expenditures through the fourth quarter total \$45,788,267 representing 98% of the \$46,909,483 General Fund amended expenditure budget. Total expenditures are under the final amended budget of approximately \$1.1 million. The favorable variance is made up of favorable department budgets. Personnel services through the fourth quarter total \$38,121,222 or 83% of the total expenditures. An increase from prior year of \$2,297,755. Health Insurance costs were a large driver this year for increases in personal services.

Fund Balance for the General Fund is estimated to be \$13,215,672 on June 30, 2026, which is an increase of \$189,338 from last year's fund balance of \$13,026,334. Estimated fund balance to current year expenditures ratio is 28% which keeps fund balance within council set limits.

SPECIAL REVENUE FUNDS

The special revenue funds were generally within their amended expenditure budgets through June 30, 2026. Significant variances are primarily attributable to the timing of capital projects, reimbursements, and restricted revenue activity.

Funds 202 ,203 & 204: Major, Local, and Municipal Street Funds

Overall, ACT 51 revenues came in \$20,426 lower than the prior year due to a decrease in funding by the State. City staff are working with State and Local representatives to express concern in decreased funding. The Major Street Fund recorded \$7.0 million in revenue and \$7.2 million in expenditures, resulting in a preliminary decrease in fund balance of \$253,402 and an ending fund balance of \$4.9 million. Approximately \$7.2 million of encumbered and available capital outlay funding is expected to roll forward to fiscal year 2026-27 because of project timing. The planned 11 Mile/Beck Road roundabout was combined with the 11 Mile Road project from Wixom Road to Beck Road, estimated at approximately \$3.0 million. Several federal-aid projects completed during the 2025 construction season also remain subject to final MDOT billing.

The Local Street Fund recorded \$4.8 million in revenue and \$4.9 million in expenditures, resulting in a preliminary decrease in fund balance of \$114,704 and an ending fund balance of \$543,994. Approximately \$5.5 million of capital funding is expected to roll

forward, primarily because the Neighborhood Road Program was awarded later in the construction season.

The Municipal Street Fund recorded \$8.3 million in revenue and \$4.0 million in expenditures, increasing fund balance by approximately \$4.3 million to \$14.0 million. Approximately \$2.5 million is expected to roll forward due to the timing of the Neighborhood Sidewalk Program, Road Commission for Oakland County agreements, and related construction projects.

The street funds are expected to remain consistent with City Council fund balance policies after completion of year-end entries and approved project rollovers.

Fund 208: Parks, Recreation, and Cultural Services Fund

The Parks, Recreation, and Cultural Services Fund recorded \$4.0 million in revenue, and \$4.1 million in expenditures, or 92.9% of budget. Expenditures exceeded revenues by \$63,295, resulting in a preliminary ending fund balance of \$1.4 million. Approximately \$150,000 of available funding associated with the Ella Mae project is expected to return to fund balance. Funding for the Villa Barr project will roll forward to fiscal year 2026-27 because the project will be completed in July 2026.

Fund 152: Drain Fund

The Drain Fund recorded \$3.4 million in revenue and \$3.0 million in expenditures, increasing fund balance by \$386,332 to a preliminary ending balance of \$1.1 million. Approximately \$3.0 million in project funding is expected to roll forward to fiscal year 2026-27 due to the timing of construction projects and existing contracts and commitments not completed by June 30, 2026.

Fund 213: Tree Fund

The Tree Fund recorded \$134,335 in revenue and \$611,542 in expenditures, decreasing fund balance by \$477,207 to a preliminary ending balance of \$1.1 million. Fiscal year activity included approximately \$77,000 for spring and fall planting and approximately \$400,000 for forestry maintenance and tree pruning along major and local streets. Local street tree maintenance was increased in accordance with the Davey Tree Management Plan. No property was purchased from the Tree Fund during fiscal year 2025-26.

Fund 262: Forfeiture Fund

The Forfeiture Fund recorded \$130,432 in revenue and \$125,507 in expenditures, increasing fund balance by \$4,925 to a preliminary ending balance of \$57,389. Forfeiture revenue continues to fluctuate based on the timing and resolution of court cases. The General Fund may provide support in future years to the extent eligible expenditure exceeds available forfeiture revenue.

Fund 274: Community Development Block Grant Fund

The Community Development Block Grant Fund recorded \$100,004 in revenue and \$102,852 in expenditures, resulting in a preliminary deficit fund balance of \$11,870. The variance is attributable to the timing of reimbursements from Oakland County and invoices from subrecipients. This timing-related deficit does not require a formal deficit elimination plan with the State.

Fund 226: Rubbish Collection, Fund 271: Library, Fund 272: Library Contribution, and Street Lighting Funds 286 & 287

The Rubbish Collection Fund recorded \$2.2 million in revenue and \$2.1 million in expenditures. The Library Fund recorded \$4.2 million in revenue and \$4.3 million in expenditures, with a preliminary ending fund balance of \$2.4 million. The Library Contribution Fund recorded \$124,204 in revenue and \$310,440 in expenditures, with a preliminary ending fund balance of \$1.5 million. The West Oaks, West Lake Drive, and Town Center Street Lighting Funds remained within their amended expenditure budgets. No additional significant items were noted.

DEBT SERVICE FUND

Fund 371: 2008 Library Construction Debt Fund

The Library Construction Debt Fund recorded \$1.8 million in revenue and \$1.4 million in expenditures, increasing fund balance by \$432,897 to a preliminary ending balance of \$1.3 million. Revenue exceeded the amended budget by approximately \$79,000. The library debt was refinanced in fiscal year 2015-16, and the final principal payment is scheduled for October 2026, during fiscal year 2026-27.

CAPITAL PROJECT FUNDS

Capital project fund variances primarily reflect the timing of project activity and related financing. Available budget balances do not reflect encumbrances.

Fund 418: Special Assessment Revolving Fund

The Special Assessment Revolving Fund recorded \$170,064 in revenue and \$523 in expenditures, increasing fund balance by \$169,541 to a preliminary ending balance of \$5.1 million. The fund continues to receive repayment of prior year interfund borrowing associated with the Corridor Improvement Authority Fund.

Fund 401: Capital Improvement Program Fund

The Capital Improvement Program Fund recorded \$4.9 million in revenue and \$2.6 million in expenditures, improving fund balance by \$2.4 million. The preliminary ending fund balance remains negative at \$2.9 million because of outstanding interfund borrowing. Remaining millage collections will continue to support eligible capital

activity and repayment of interfund balances in accordance with applicable schedules.

Fund 406: Gun Range Facility Fund

The Gun Range Facility Fund recorded \$139,560 in revenue, or 120.6% of the amended budget, and \$169,266 in expenditures, or 90.7% of budget. Expenditures exceeded revenues by \$29,706, resulting in a preliminary ending fund balance of \$711,842. Facility operating costs continue to be recorded within the Police Department in the General Fund, while this fund supports current and future capital purchases.

Fund 463: PEG Cable Capital Fund

The PEG Cable Capital Fund recorded \$279,241 in revenue and \$7,975 in expenditures, increasing fund balance by \$271,265 to a preliminary ending balance of \$1.3 million. The fund accounts for PEG revenue restricted to eligible capital purchases; Studio VI operating expenditures continue to be recorded in the General Fund.

Fund 464: Public Improvement and Public Safety Buildings Construction Funds

The Public Improvement Fund recorded \$45,315 in revenue and \$445,986 in expenditures, decreasing fund balance by \$400,672 to a preliminary ending balance of \$865,860. The Public Safety Buildings Construction Fund recorded \$35.6 million in revenue, including bond proceeds, and \$4.6 million in expenditures. Its preliminary ending fund balance of \$31.0 million represents resources available for the continuing construction program.

PERMANENT FUND

Fund 211: Drain Perpetual Maintenance Fund

The Drain Perpetual Maintenance Fund recorded \$290,338 in revenue and no expenditures or transfers, increasing fund balance to a preliminary \$7.7 million. Tap-in fee revenue was approximately \$30,000. No transfer to the Drain Fund was recorded as of June 30, 2026; historically, transfers are made when eligible Drain Fund expenditures exceed available revenues.

An adopted budget is not required under the State Budget Act for permanent funds; this information is presented primarily for informational purposes.

ENTERPRISE FUNDS

Fund 270: Ice Arena Fund

The Ice Arena Fund recorded \$2.7 million in revenue, or 135.3% of the amended budget, and \$2.6 million in expenditures, or 91.5% of budget. Revenues exceeded expenditures by \$127,989. Incomplete capital projects will be included in the fiscal year 2026-27 rollover budget, as appropriate.

Fund 274: Senior Housing Fund

The Senior Housing Fund recorded \$2.3 million in revenue and \$2.6 million in expenditures. Expenditures exceeded the amended budget by approximately \$251,000 and exceeded revenues by \$358,136, resulting in a preliminary ending fund balance of \$9.5 million. Year-end review will determine the final classification of capital activity and any required rollover funding.

Fund 592: Water and Sewer Fund

The Water and Sewer Fund recorded \$31.1 million in revenue and \$29.5 million in expenditures, increasing fund balance by \$1.6 million to adding to the preliminary ending balance. Approximately \$10.0 million of capital project funding is expected to roll forward to fiscal year 2026-27 due primarily to project timing. The largest rollover is the Southwest Water Main Loop, with approximately \$6.6 million expected to be carried forward after delays associated with easement acquisitions and bidding. Additional year-end invoices with a June 30 posting date remain in process.

An adopted budget is not required under the State Budget Act for enterprise funds; this information is presented primarily for informational purposes.

INTERNAL SERVICE FUND

Fund 677: Self-Insurance Health Care Fund

The Self-Insurance Health Care Fund recorded \$5.7 million in revenue and \$5.4 million in expenditures, increasing fund balance by \$298,118 to a preliminary ending balance of \$2.6 million. Both revenue and expenditures exceeded the amended budget, reflecting actual healthcare allocations, premiums, and claims activity through year-end. Reserves remain available to absorb large claims and help manage future healthcare costs.

An adopted budget is not required under the State Budget Act for internal service funds; this information is presented primarily for informational purposes.

FIDUCIARY FUND

Fund 737: Retiree Healthcare Benefits Fund

The Retiree Healthcare Benefits Fund recorded \$3.5 million in revenue, including approximately \$1.3 million in interest income and \$2.2 million of net investment gains. Expenditures totaled \$1.9 million, including \$1.6 million for retiree insurance. The fund increased by \$1.6 million to a preliminary ending balance of \$40.0 million.

An adopted budget is not required under the State Budget Act for fiduciary funds; this information is presented primarily for informational purposes.

COMPONENT UNITS

Fund 244: Economic Development Fund

The Economic Development Fund recorded \$27,230 in revenue and \$12,658 in expenditures, increasing fund balance by \$14,572 to a preliminary ending balance of \$101,330.

Fund 246: Corridor Improvement Authority Fund

The Corridor Improvement Authority Fund recorded \$1.0 million in revenue and \$512,708 in expenditures, improving fund balance by \$510,373. The preliminary ending deficit fund balance was \$1.1 million. The fund continues to repay prior year interfund borrowing from the Special Assessment Revolving Fund associated with the NW Ring Road project; principal and interest payments will continue to be supported by annual property tax revenue.

An adopted budget is not required under the State Budget Act for component units; this information is presented primarily for informational purposes.

YEAR-END FINANCIAL INFORMATION

This report reflects preliminary activity posted through June 30, 2026, as reported on August 20, 2026. The balances are expected to be materially representative but are not final. Year-end adjustments, account reconciliations, encumbrances, project closeouts, and audit procedures may change the amounts presented. Final balances will be reported in the City's audited financial statements.