A State sources is slightly lower than budget due to $104,000 of State grant money not being received within 60 days of year end. Revenue cannot be recognized if it is not earned or received with 60 days of year end.

A1 Cable franchise fees for the last quarter (received in August for the time period of April - June 2025) were higher than originally budgeted.

B Court fines and forfeitures were slightly lower than the expected budget by $30,300. Fines have steadily decreased over the last 10 years.

06/30/2016	06/30/2017	06/30/2018	06/30/2019	06/30/2020	06/30/2021	06/30/2022	06/30/2023	06/30/2024
549,841	455,447	490,091	425,556	303,797	343,461	272,163	237,470	224,299

C Budget will be rolled over into FY 2026 for Plante Moran Realpoint services as well as the 2050 long range strategic plan.

D Furniture replacement for the watch room will not arrive until FY 2026. Funds will be rolled over into FY 2026.

E HVAC auto controls at the civic center and fire station 1 and 3 generator projects will have a rollovers as the projects will not be finalized until fall of FY 2026.

F The electric gator purchased with grant funds has not arrived as of FY 2025. Funds will be rolled over into FY 26.

G Police personnel is overbudget due to a final pay of an officer who left employment which was not budgeted nor expected. In addition, dispatch overtime was higher than expected due to 1 dispatcher being off on medical leave and 2 openings due to resignations the last part of the fiscal year. Police overtime trended higher than the original budget throughout the year. The original budget was based off of actual overtime experienced in fiscal year 2023. The department was fully staff in November 2024, however the officers were in various stages of mandated Field Training Officer program preventing their full deployment. This situation necessitated ongoing reliance on an overtime for patrol shift coverage. The detective bureau overtime also increased significantly due to complex cases during the fiscal year. Special events during the year also caused OT. Events included: Michigan State Fair, Macabbi Games, PGA STore events, ITC infrastructure exercises, Trumps visit, Community Fest, Police/Fire Leadership Academy, Citizens Police Academy, Memorial Day ceremonies, Comic Con traffic control, funeral coverage and events.

H Fire personnel is overbudget due to the additional hiring of auxiliary firefighters. The new officers are not fully trained and therefore, the fire shifts have been doubled up with staffing with the fully trained officers training the new hires. Eventually, these costs will come down when all officers are fully trained.

I The replacement of the salt dome at DPW will be continued into FY 2026. Funds will be rolled over

J One dump truck and one plow are in the process of being built. The funds will be rolled over into FY 2026.

K The City's wayfinding signage project will be rolled over into FY 2026.

L Significant budget adjustments to Fund Balance:

General Fund

Meeting Date	Post Date	BA#	Budget Description / BA Description	$ Amt
			Original Budget - Use of Fund Balance	745,111
3/10/2025	3/10/2025	2025-4	Futurist Consultant	(25,000)
3/10/2025	3/10/2025	2025-4	2050 Community Strategic Plan	(50,000)
3/10/2025	3/10/2025	2025-4	Plante RealPoint Owners Rep	(110,000)
6/23/2025	6/23/2025	2025-6	State Shared Revenue Estimate	60,000
6/23/2025	6/23/2025	2025-6	Interest Income	367,490
6/23/2025	6/23/2025	2025-6	Finance Dept Payout & Services	(32,500)
6/23/2025	6/23/2025	2025-6	Fire Dept Personnel Increases	(306,625)
6/23/2025	6/23/2025	2025-6	Fire Dept Recruiting Costs	(86,000)
			Ending Use of Fund Balance	$ 562,476

M Fund balance to current year expenditure ratio is expected to be 29% which is within the City Council Fund balance policy, see chart below.

FB as % of expenses	
25% or below	Action Required
26%	
27%	
28%	
29%	Target Range
30%	
31%	
32%	
33% or greater	Action Required

Reconciliation of Fund Balance

Actual Net Revenues over Expenditures	$	813,875	
Less Rollovers		(605,712)	M2
Grant funds received in FY 2026		104,000	A
Adjusted net revenues over expenditures		312,163	
Budgeted revenues over expenditures		562,476	
Change		(250,313)	

Major reasons for change:

Interest income lower than expected	$	(116,500)	M1
Police personnel overage		(57,455)	G
Fire personnel overage		(78,118)	H
	$	(252,073)	

M1 Interest income was adjusted during the 4th quarter budget amendment to reflect activity year to date. Interest income for the last two m of the year were lower than the trends seen earlier in the year.

M2 Amount of capital not started or not completed by the end of FY 2025. It will be recommended these dollars be rolled over into FY 2026 complete the projects.

N Additional funding provided by the State of Michigan.

O Due to timing of capital outlay projects, funding from the Municipal Street Fund was less than budgeted in the current year.

P Capital projects have been started but due to timing of the construction season verses the city's year end, these projects will continue into the new fiscal year and funds will be rolled over into FY 2026

Q City council fund balance policy for all three road funds is a fund balance to expenditure ratio of no less than 10%. The fund is within the policy set.

R Asphalt path and drain project at Power Park and the Villa Barr pathway projects are continuing projects. These funds will be rolled over into PY 2025.

S Due to timing of the projects in the Drian fund, a transfer form the Perpetual Drain Fund was noted needed in the current year. Capital project budgets will be rolled over into FY 2026.

T Estimated June 30, 2025 ending fund balance of $1.6 Million. City council fund balance policy is to maintain a fund balance of $500,000.

U The Forfeiture Fund used available funds to purchase three vehicles and install equipment. The General Fund covered the cost for the remaining costs for vehicles. A significant number of forfeiture cases with millions of possible forfeiture continue to be held up by the court system. However, there is no indication of when these funds will be released.

V The City is awaiting the arrival of two fire engines, both have been ordered in prior years. In addition the Villa Barr pathway has not been started. These three capital projects will be rolled over into FY 2026.

W The Public Improvement Fund was created in the current year to set aside those projects budgeted in the General Fund and Parks and Rec Fund which did not take place during FY 2024 and were rolled into FY 2025.
The Fund earned $122,135 of interest income which is available to spend on any future capital projects.
In addition, several vehicles were ordered but not received by year end and the budgets will be rolled over into FY 2026.
Parks and Rec also has several projects that will continue into FY 2026.

X During the year, the General Fund had additional operating interest income. Council proposed moving these funds from the General Fund to the Public Improvement Fund to assist in funding future capital projects.

Y Ice Arena incurred significant building repairs during the fiscal year: rubber flooring in bleachers $6000, top end rebuild on compressor $10,000, rental of generator $11,000, dehumidifier repairs $11,000, and hot water repairs $12,000, just to name a few.

Z Several capital projects were not started during the fiscal year or were not completed but will be rolled over into FY 2026: dehumidification unity, fire detection replacement, elevator room, roof top unit hvac, door replacement and the HVAC system is wrapping up.

AA Majority of overage relates to concrete repair needed throughout the entire community that was not planned nor budgeted.