Per Jeff Buerman:

Under Michigan law, the Village is required to adopt a balanced budget before the start of the fiscal year on July 1, 2026. The Village Council approved a budget at last night's meeting, which satisfies that statutory requirement.

As part of that budget, the Council approved a transfer of $41,305 from the General Fund to ensure that the budget is balanced as required by state law. A municipality cannot legally begin a fiscal year with an unbalanced budget.

Regarding the audit findings, the Village has experienced several years of deficit spending, and there were departments that exceeded their approved budgets by more than 10 percent. As a result, the Village's auditors were required to report those findings to the State of Michigan. The Village subsequently submitted a Corrective Action Plan (CAP) and is working with the State to address the issues identified in the audit.

Beginning July 1, the Village will continue working with its accounting professionals and auditors to review operations, monitor expenditures, and ensure compliance with state requirements. Our focus is on maintaining a balanced budget, improving financial controls, and ensuring that expenditures do not exceed available revenues.

The Village is not currently facing a state takeover. However, if the Village were to continue deficit spending, deplete its available General Fund balance, or become unable to meet its financial obligations, the State could require additional oversight and review of the Village's finances. Our goal is to avoid that situation by maintaining balanced budgets, following our Corrective Action Plan, and ensuring that expenditures remain within available revenues.

I am also aware that there have been claims circulating that the Village is hiding money or that funds are being improperly managed. Those claims are not supported by the Village's financial records. Municipal finances are subject to annual independent audits, and all revenues and expenditures must be accounted for and reported in accordance with state law and accepted accounting standards. Every dollar received and every dollar spent by the Village must be documented, reported, and audited.

To clarify, the State of Michigan has not taken over the Village. We are working cooperatively with the State through the corrective action process to address the findings identified in the audit and strengthen the Village's financial position.

In summary, the Village met the State's requirement by adopting a balanced budget before July 1, 2026. The challenge moving forward is ensuring that we continue to operate within that budget, eliminate deficit spending, and maintain long-term financial stability.