

November 12, 2020

To Mr. Thomas Thomas, Interim City Manager  
City of Charlotte, Michigan  
111 E. Lawrence Avenue  
Charlotte, MI 48813

Dear Mr. Thomas:

Enclosed are your annual financial reports and letters of required communication for the year ended June 30, 2020.

We will electronically forward your financial statements and letters of required communication to the State of Michigan, Department of Treasury.

The State of Michigan requires auditors to prepare the auditing procedures report, which will be submitted with the audited financial statements to the State at the time we electronically file the report. Please be aware that, to the extent any exceptions have been reported, the State of Michigan may request that you file a corrective action plan.

**Other filing requirements:**

**Michigan Department of Treasury:**

**Form F-65** - The Michigan Department of Treasury requires Form F-65 to be completed and submitted within six months after the close of your government's fiscal year. Local units are required to submit Form F-65 using the electronic online format on the State of Michigan website. The State is no longer accepting excel or hard copy submissions. Upon submission, you may receive error messages that will need to be addressed. Local units will now file Form F-65, audit reports, and qualifying statements in the same location using only one login (user ID and password). The form can be filed at the following link: <https://treas-secure.state.mi.us/LAFDeform/TL41W71.aspx>.

**Qualifying Statement** - Communities are required to submit a filing once a year with the Michigan Department of Treasury. This filing will serve as a preapproval for future debt issues. The current filing is due within six months of the government's year end and is good for one year thereafter. The annual qualifying statement must be submitted electronically using the Department of Treasury's website.

**Tax Increment Financing Authorities Subject to PA 57 of 2018 (such as TIFA, DDA, LDFA, CIA, NIA, and WRA)** - Under PA 57 of 2018, there are new TIF reporting requirements. More information about both the public reporting requirements under Section 910 and the treasury reporting requirements under Section 911, which are due 180 days after the end of the authority's fiscal year (starting with FY 2019), are available on the Michigan Department of Treasury's website here: [https://www.michigan.gov/treasury/0,4679,7-121-1751\\_2194\\_90562---,00.html](https://www.michigan.gov/treasury/0,4679,7-121-1751_2194_90562---,00.html).

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**Brownfield Redevelopment Authorities** - A financial report on the status of activities of the authority is due to the Michigan Economic Development Corporation (MEDC) each year. This must be submitted via the online portal provided by MEDC, which can be found at: <https://medc.secure.force.com/SiteLogin>.

**Deficit Elimination Plan** - In accordance with PA 140 of 1971 and the State Department of Treasury Numbered Letter 2016-1, a local unit of government ending its fiscal year in a deficit condition must create and file a deficit elimination plan with the Department of Treasury prior to or concurrent with the submission of the local unit's audit report to the State.

**Legacy Cost Reporting** - In accordance with PA 314 of 1965, as amended, an investment fiduciary of a public employee retirement system is required to publish a summary annual report. The summary annual report requires, among other items, systems' assets and liabilities and changes in net plan assets on a plan-year basis and systems' funded ratio of valuation assets to actuarial accrued liabilities on a plan-year basis. PA 530 of 2016 amended this act to require the summary annual report to include the actuarial assumed rate of health care inflation. Also, this summary annual report is required to be sent to the Michigan Department of Treasury within 30 days of publication. The Michigan Department of Treasury will post an executive summary of each summary annual report it receives.

In addition, any public employee retirement system not at least 60 percent funded shall post an information report on the system's website outlining steps, if any, the system may be taking to decrease the system's unfunded actuarial accrued liability.

In addition, PA 202 of 2017 has additional reporting requirements. Information regarding filing can be located at [http://www.michigan.gov/treasury/0,4679,7-121-1751\\_51556\\_84499---,00.html](http://www.michigan.gov/treasury/0,4679,7-121-1751_51556_84499---,00.html). The due date for completion of Form 5572 is no later the six months after the end of your fiscal year. In addition to submitting this new form to the Department of Treasury, local units must also post this information on their websites. The governing body of a local unit will also need to receive a copy of this form, in accordance with the act, but the act does not require approval by the governing body before submission to the Treasury.

#### **Michigan Department of Transportation (MDOT):**

The government's Act 51 Highway report is due 120 days after year end. The Act 51 report can be electronically submitted through the MDOT ADARS (Act 51 Distribution and Reporting System) site. Instructions can be found at: [http://www.michigan.gov/documents/mdot/mdot\\_act51\\_street\\_financial\\_report\\_guide\\_359394\\_7.pdf](http://www.michigan.gov/documents/mdot/mdot_act51_street_financial_report_guide_359394_7.pdf).

The Michigan Department of Transportation has granted an automatic 60-day extension to cities and villages that are required to file the Act 51 report. The updated policy will extend the Act 51 report deadline to be due within six months of your fiscal year end date, which will align with the due date for the audited financial statements. This extension does not apply to counties. Counties are required to submit the Act 51 report to MDOT by May 1, every year, regardless of their fiscal year ends.

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**Governmental Finance Officers Association (GFOA):**

Submission of the government's Comprehensive Annual Financial Report (CAFR) to the GFOA's Certificate of Achievement Program is due within six months of the government's fiscal year end (or, if that date falls on a weekend or holiday, the next business day). As part of the GFOA's new Awards Management System, the Certificate of Achievement Program will be automated, allowing CAFR applicants to apply, pay CAFR fees, check application status, or request copies of award documents electronically. After the launch of the Awards Management System, email applications will no longer be accepted, and all CAFRs must be submitted electronically.

Information can be found at: <https://www.gfoa.org/award-programs/certificate-achievement-excellence-financial-reporting-program-cafr-program>.

**Securities and Exchange Commission:**

Please be advised that, because you have issued bonds after July 1, 1995, you may be required to submit information, including your annual financial statements, to the Municipal Securities Rulemaking Board (MSRB). Submissions must be made electronically in PDF format to the Electronic Municipal Market Access (EMMA) system ([www.emma.msrb.org](http://www.emma.msrb.org)). In addition, you are obligated to provide continuing disclosure documents to a State Information Depository (SID) if required by applicable state law or by an outstanding continuing disclosure agreement in effect prior to July 1, 2009. The SID for Michigan is:

Municipal Advisory Council of Michigan  
Buhl Building - 535 Griswold, Suite 1850  
Detroit, MI 48226-3699

In addition to the report submission requirement, it is also likely that your bond documents (either the bond awarding resolution or the bond official statement) may have committed you to make additional nonfinancial disclosures (such as population, taxable valuation, millage rates, and other demographic data). As a result, there may be additional information required to be sent to the above repositories (which will also have a due date - often 180 days after year end). Please contact your bond financial advisors to determine if these disclosure requirements apply to you. If you, your bond counsel, or financial advisors need assistance in supplying the appropriate information, please contact us.

Thank you for the opportunity to serve as your auditors. Please contact us if you have any questions regarding these filing requirements.

Very truly yours,

**Plante & Moran, PLLC**