

October 17, 2023

To Ms. Korth
City of Swartz Creek, Michigan
8083 Civic Drive
Swartz Creek, MI 48473

Dear Ms. Korth:

Enclosed are your annual financial reports and report to the council for the year ended June 30, 2023 as follows:

- Financial statements
- Single audit report
- Single audit data collection form
- Required communication, under AU 260, to the council

To assist you in determining the distribution requirements of your annual reports, the filing requirements for several agencies are summarized below. In general, please ensure that the financial statements are included with any distributions of the single audit report.

The single audit report package (as referred to below) includes the following:

- Financial statements
- Single audit report
- Summary schedule of prior audit findings prepared by City of Swartz Creek, Michigan
- Corrective action plan prepared by City of Swartz Creek, Michigan

Single Audit Filing Requirements

- We are in the process of preparing the data collection form on your behalf.
- Before your data collection form can be certified and submitted to the FAC, you will need to prepare a corrective action plan and summary schedule of prior year audit findings on your organization's letterhead. A corrective action plan should address each audit finding included in the current year single audit report. It must provide the finding reference number, name(s) of the contact person(s) responsible for corrective action, the corrective action planned, and the anticipated completion date. The summary schedule of prior audit findings should address each prior year finding. It must provide/identify the prior year finding reference number, fiscal year in which the finding initially occurred, Assistance Listing Number, program name, a description of the original finding, the status of the finding (e.g., corrected, partially corrected, or unresolved), and the planned corrective action if the finding has not been corrected. If you have not already done so, please provide us with this corrective action plan and summary schedule of prior audit findings, on letterhead, as soon as possible to include in the uploaded reporting package to the FAC.
- We will upload the entire reporting package electronically to the FAC. You no longer need to send any hard copies of the reports to the clearinghouse.

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- You will need to electronically certify the single audit data collection form. You will receive an automated email from the clearinghouse with certification instructions. In order to certify, you will need to ensure the certifying official at your organization has set up a personal account within the Internet Data Entry System (IDES) being used by the FAC for these data collection form filings.
- Plante & Moran, PLLC will electronically forward your financial statements, single audit report, and report to the council to the State of Michigan Department of Treasury.

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 the 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/LAFD_iform/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 fiscal year 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.
- **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 plan net 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 informational report on the system's website outlining steps, if any, the system may be taking to decrease the system's unfunded actuarial accrued liability.

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- 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. The due date for completion of Form 5572 is no later than 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.

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 end.

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