



STATE OF MICHIGAN  
DEPARTMENT OF TREASURY  
LANSING

RICK SNYDER  
GOVERNOR

NICK A. KHOURI  
STATE TREASURER

August 17, 2016

**NOTICE OF INTENT TO  
WITHHOLD STATE PAYMENTS**

Municipality Code: 151130  
APR Form ID No: 7449

**SENT VIA EMAIL**

Chief Administrative Officer  
St James Township  
billhaggard.beaverisland@gmail.com

Dear Chief Administrative Officer:

The Glenn Steil State Revenue Sharing Act of 1971, Public Act 140 of 1971, Section 21(2) states that units of local government (local units) that end their fiscal year in a deficit condition shall formulate a deficit elimination plan. Any assessment of a local unit's deficit condition should be made using the guidelines provided in [Numbered Letter 2016-1](#)

The Local Government Financial Services Division received an audit report from your local unit for the fiscal year ending 2016, which indicates a deficit in one or more funds as follows:

<u>FUND NAME</u>	<u>AMOUNT</u>
Sewer Fund	-\$79,707.00
Yacht Dock Fund	-\$57,344.00

If a deficit exists in the General Fund, the General Fund plan should include a monthly breakdown of revenues and expenditures for the first two years of the projection and annual detail for the remaining years. For example, a five-year plan would show monthly detail for 24 months, and annual detail for the remaining three years. When a revised plan is submitted in the subsequent year, it would include a monthly breakdown for two years and an annual breakdown for the remaining two years. The monthly breakdown shall be for actual revenue and expenditures expected that month. For example, property taxes should be included in the months the taxes are projected to be actually collected. It shall not be merely the annual revenue and expenditures divided by 12 months. This will allow for a more meaningful picture of how the municipality is progressing on a monthly basis.

Please upload a deficit elimination plan for all funds listed above and a certified resolution online at <http://www.michigan.gov/MunicipalFinance> within 30 days from the date of this letter. Should

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a plan not be filed within 30 days, we may withhold 25% of the local unit's State Incentive Payments or payments issued under Public Act 140 of 1971, the Glenn Steil State Revenue Sharing Act of 1971. Once withheld, payments are not released when a plan has been *filed*, but when a plan has been *evaluated and certified* by Treasury.

After receiving your plan, we will notify you by email if additional information is needed or that your plan has been certified. If you have any questions or concerns, please do not hesitate to contact us at (517) 373-3227 or [Treas\\_MunicipalFinance@Michigan.gov](mailto:Treas_MunicipalFinance@Michigan.gov).

Sincerely,



Harlan Goodrich, Manager  
Local Government Financial Services Division