

City of Mackinac Island

City Hall, 7358 Market Street, P.O. Box 455, Mackinac Island, MI 49757-0455

Resolution No. 25-014

City of Mackinac Island Resolution

Mackinac Island Transportation Authority Deficit Elimination Plan

WHEREAS, the City of Mackinac Island has a deficit in unrestricted net assets of \$586,477.00, and current asset minus current liability deficit of \$32,204.00 in the Mackinac Island Transportation Authority on September 30, 2024; and

WHEREAS, 1971 PA 140 requires that a Deficit Elimination Plan be formulated by the local unit of government to eliminate the (\$32,204.00) difference between current assets and current liabilities; and

WHEREAS, 1971 PA 140 requires that the Deficit Elimination Plan be filed with the Michigan Department of Treasury; and

NOW THEREFORE, IT IS RESOLVED, that the City of Mackinac Island City Council adopts the following as the Mackinac Island Transportation Authority Deficit Elimination Plan; and

BE IT FURTHER RESOLVED, that the City of Mackinac Island City Clerk will submit the attached Mackinac Island Transportation Authority's Deficit Elimination Plan to the Michigan Department of Treasury for certification.

I, Danielle Leach, duly elected Clerk of the City of Mackinac Island, do hereby certify that the foregoing is a true copy of the Resolution adopted by the City Council at their regular meeting held on the _____ day of _____, 2025.

Danielle Leach, City Clerk

Date

City of Mackinac Island**Deficit Elimination Plan - Mackinac Island Transportation Authority****For the Fiscal Year Ended 9/30/2024**

	Audited FYE 9/30/2024	Budget FYE 9/30/2025
Current Assets minus Current Liabilities (Deficit) - 10/1	334,333	(32,184)
Revenues		
Winter Service Agreement - Local	-	124,892
Winter Service Agreement - State		138,550
Rental Revenue	120,244	129,547
Total Operating Revenues	120,244	392,989
Expenditures		
Legal Fees	(42,871)	(53,993)
Property Taxes	(33,130)	(35,668)
Repairs & Maintenance	(11,412)	-
Coal Dock Lease Interest	(297)	(149)
Contracted Services	(13,631)	(173,780)
Insurance	(14,060)	(12,756)
Depreciation/Amortization	(358,030)	(367,136)
Other Expenses	(5,280)	(1,666)
Total Operating Expenditures	(478,711)	(645,147)
Non-Operating Revenues/(Expenditures)	20,698	656,628
Add: Depreciation	303,548	312,654
Add: Amortization	54,482	54,482
Less: Purchase of Capital Assets	(331,927)	(608,212)
Less: Principal Payment on Long-Term Debt	(54,851)	(54,851)
Current Assets minus Current Liabilities (Deficit) - 9/30	(32,184)	76,359

Notes

1. Received State Grant for \$656,628 in the 2025 FY
2. Entered into Winter Service Agreement with the City of Mackinac Island and the State in the 2025 FY

City Clerk

From: Todd Drysdale <todd.drysdale@rehmann.com>
Sent: Tuesday, November 18, 2025 4:33 PM
To: Mayor's Assistant
Cc: City Clerk; Katie Pereny; Andy McGreevy; Kimberly Brownlie; Mike Birchmeier
Subject: Deficit Elimination Plan - Mackinac Island
Attachments: MITA Deficit Elimination Resolution.pdf; Deficit Elimination Plan-MITA.pdf; FW: City of Mackinac Island 49-2-010 Notice of Intent to Withhold State Payments

Attached is a resolution and deficit elimination plan that needs to be placed on your next City Council meeting for approval. Also attached is the original letter which includes the instructions to follow after a certified resolution is available.

Note that I have spoke to the State and the 30-day deadline from the original letter will not be a problem due to the cadence of your council meeting dates.

Please let me know if you have any questions or concerns.

Todd A. Drysdale, CPA, MPA
Manager | Public Sector Solutions

Rehmann
1249 Griswold Street, Suite 201 | Detroit, MI 48226
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todd.drysdale@rehmann.com | [Subscribe and stay connected](#)

From: Todd Drysdale
Sent: Tuesday, November 18, 2025 10:16 AM
To: Mike Birchmeier <mike.birchmeier@rehmann.com>
Subject: Deficit Elimination Plan - Mackinac Island

See attached. If okay, I will send to the client to place on the next City Council agenda.

Todd A. Drysdale, CPA, MPA
Manager | Public Sector Solutions

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GRETCHEN WHITMER
GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF TREASURY
LANSING

RACHAEL EUBANKS
STATE TREASURER

October 20, 2025

**NOTICE OF INTENT TO
WITHHOLD STATE PAYMENTS**

Municipality Code: 49-2-010
APR Form ID No: 140565

Chief Administrative Officer
City of Mackinac Island
clerk@cityofmi.org

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 Audit and Finance Division received an audit report from your local unit for the fiscal year ending 2025, which indicates a deficit in one or more funds as follows:

<u>FUND NAME</u>	<u>AMOUNT</u>
Mackinac Island Transportation Authority	-\$32,204

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.

Except where indicated "No Plan Necessary," please submit a deficit elimination plan for all funds listed above and a certified resolution to

Treas_MunicipalFinance@Michigan.gov within 30 days from the date of this letter.

Should 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 Jeff Schwartz at (517) 241-4750 or

Treas_MunicipalFinance@Michigan.gov.

Sincerely,



Harlan Goodrich, Municipal Finance Manager
Local Audit and Finance Division