



STATE OF MICHIGAN  
DEPARTMENT OF TREASURY  
LANSING

RICK SNYDER  
GOVERNOR

ANDY DILLON  
STATE TREASURER

January 6, 2012

Fiscal Year: 2011  
MuniCode: 502030

Chief Financial Officer  
City of Fraser  
33000 Garfield  
Fraser, Michigan 48026

Dear Chief Financial Officer:

The Local Audit and Finance Division has received the audit report for fiscal year 2011. It is the responsibility of this division to administer certain State statutes. Consequently, your audit has been reviewed to determine compliance with budgeting, accounting, auditing, and statutory compliance related activities. This review has identified issues that we believe need your attention.

Your certified public accountant has noted the following issues corresponding to questions on the auditing procedures report (APR):

- 03. Actual expenditures exceeded the amounts authorized in the budget.
- 12. There were repeated reported deficiencies from previous years.
- 17. Bank reconciliations were not performed timely.
- 18. There were reported deficiencies included with the audit report.

The matters described above are violations of State statute or are deficiencies of the local unit that may impede the local unit's ability to comply with State statute. Therefore, please submit to us, within 30 days from the date of this letter, a detailed corrective action plan (CAP) to resolve the above-mentioned matters including other deficiencies noted in your audit report. Additional deficiencies in your report are usually found in the form of comments and recommendations located toward the end of the report. The plan should identify each APR question listed above, each additional deficiency, the corrective action to be taken, and the date in which the action is to be implemented.

Please submit your CAP, any supporting documentation, and a copy of this letter to the Local Audit and Finance Division, Attention: Cary Jay Vaughn at the address listed below or send via email to [LAFD\\_Audits@michigan.gov](mailto:LAFD_Audits@michigan.gov). If sending your plan by email, please include the following in the subject line: "local unit name-year-CAP." If you fail to respond within 30 days or you are unable to demonstrate that you have started corrective action, the Department may take any or all of the following actions:

Deficiency Letter

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- Deny or revoke qualified status under Public Act 34 of 2001, the Revised Municipal Finance Act (possibly preventing your municipality the ability to borrow money);
- Report the failure to file to the county prosecuting attorney or attorney general pursuant to Public Act 2 of 1968, the Uniform Budgeting and Accounting Act, as amended;
- Subject the local unit to an audit and/or review performed by Department of Treasury auditors at the expense of the local unit.

Thank you for your attention to this matter. If you have any questions, please contact me at 517-373-3227.

Sincerely,



Cary Jay Vaughn, CPA, CGFM  
Audit Manager  
Local Audit and Finance Division

cc: Chief Administrative Officer  
Clerk