

# ADVISORY BULLETIN

July 2, 2021

Supersedes January 6, 2021

## Annual Financial Statements for Adult-Use Establishments Fiscal Year 2021

The purpose of this bulletin is to announce the annual financial statements required for adult-use establishments for fiscal year 2021, pursuant to Rule 20 of the Marijuana Licenses rules – R 420.20.

Requirements for the annual financial statements are as follows:

An annual financial statement [form report](#) has been created that contains the required procedures and schedules for fiscal year 2021 and instructions for proper completion of the report.

- The report is an agreed-upon procedures engagement that must be conducted by an independent certified public accountant (CPA) licensed in this state and performed in accordance with the statements on standards for attestation engagements. The CPA must also complete a [CPA Attestation of Practice Authority form](#) to be submitted with the report.
- The CPA **must** communicate his or her findings in the report. No other report will be accepted. The licensee is responsible for filing the report and the CPA Attestation of Practice Authority with the Cannabis Regulatory Agency (CRA).
- All adult-use marijuana licensees that were initially licensed as an adult-use establishment as of December 31, 2020, must file the report for fiscal year 2021. The report must cover all adult-use establishment licenses held by the licensee at any time during the reporting period. Medical facility licenses held by the licensee are reported on the medical facilities annual financial statement and should be excluded from the adult-use annual financial report.
- For fiscal year 2021, marijuana event organizer licenses are exempt from the reporting requirement.

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- The report **must** be received by CRA by the due date. Licensees filing a late report will be forwarded to CRA Enforcement Division for possible disciplinary action.
- Licensees must complete the [adult-use AFS contact authorization form](#) which is to be submitted to the CRA with the completed AFS form report and the CPA completed CPA Attestation of Practice Authority form.

For this fiscal year, some licensees will be required to file two reports to bring reporting requirements current. The number of reports due for fiscal year 2021 and the reporting period for each report is determined by the date the licensee received its **first** adult-use establishment license. The due date of each report is based upon the licensee’s assigned reporting period. Refer to the chart below for these details:

Initial Licensure Date	Number of Reports Due	Reporting Period(s)	AFS Report Due
November 2019 December 2019	2	November 1, 2019 – September 30, 2020 October 1, 2020 – September 30, 2021	June 30, 2021 March 31, 2022
January 2020 February 2020 March 2020	1	January 1, 2020 – December 31, 2020	June 30, 2021
April 2020 May 2020 June 2020	1	April 1, 2020 – March 31, 2021	September 30, 2021
July 2020 August 2020 September 2020	1	July 1, 2020 – June 30, 2021	December 31, 2021
October 2020 November 2020 December 2020	1	October 1, 2020 – September 30, 2021	March 31, 2022

Licensees required to file an AFS report will receive a notice via email from [accela@noreply.com](mailto:accela@noreply.com) approximately six months before their required AFS report is due, to remind them of their filing requirement. The notice will specify the due date, reporting period, and licenses that are to be included in the report. The CRA strongly recommends licensees engage a certified public accountant (CPA) immediately upon receipt of the notice to allow sufficient time for the AFS report to be completed prior to the deadline. The AFS report must be filed by the due date indicated above or the licensee may face disciplinary action. The notices for licensees whose reports are due December 31, 2021, are forthcoming.



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The AFS report must be uploaded to the licensee's AU-ER (entity) or AU-SP (sole proprietor) record in [Accela Citizens Access Portal](#) (ACA) or sent via email to [CRA-AFS@michigan.gov](mailto:CRA-AFS@michigan.gov). If sending via email, include the licensee's name and AU-ER # or AU-SP # in the subject line.

For questions regarding the AFS requirements, please email [CRA-AFS@michigan.gov](mailto:CRA-AFS@michigan.gov) or contact the CRA by phone at 517-284-8599. For more information about the CRA, please visit [www.michigan.gov/CRA](http://www.michigan.gov/CRA).