



January 30, 2018

Isabella County Commissioners
200 N. Main Street
Mt. Pleasant, MI 48858

We continue to be appreciative of the opportunity to work with the County in the capacity of contracted Director of Financial Services. Our last report was through September 30, 2017 and since then we have taken on a variety of tasks and continued to move other tasks forward that were discussed in the previous reports. The following is what we have been working on over the past quarter through December 31, 2017:

1. We continued to evaluate the overall business structure and its related functions (journal entries, accounts payable, payroll, general ledger, etc.) as it relates to how BS&A handles certain accounting functions and have periodically made suggestions to assist the County run the financial management functions more effectively and efficiently.
2. We spent a significant amount out of time the last quarter, since the County fiscal year ended September 30, 2017, assisting the Administrator/Controller's Office preparing for the audit. We have advised and assisted in determining conceptual processes related to how the accounting for a variety of activity should be handled. We were also a resource to the Office on assuring work papers and supporting documentation was ready and sufficient for the auditors. Also, we prepared pension work papers, answered a variety of questions, and did certain analyses as requested by the new auditors so they could better understand the accounting processes at the County.
3. We worked with Ms. McAvoy and Ms. Frost on various revisions of the County procurement policy as the current policy needed updating / revision to be in compliance with the new Federal requirements of Uniform Guidance. Since the Federal Government has given another 1-year extension on the implementation requirements, the County has until 9/30/18 to adopt the new policy. We also assisted in the drafts of other policies including policies related to credit card usage, and grants management. We will soon be working on policies for travel, conflicts-of-interest, and related party transactions. We hope to have a majority of those policies for Board review very soon.
4. One of the most important tasks we took on during the quarter was completion of the County's reporting to the State of Michigan for the County Incentive Program (CIP). The reporting, consisting of four very detailed worksheets, was two-fold in that the data had to be transmitted to the State of Michigan and uploaded to the County's website by December 1, 2017, no exceptions. If this reporting was not completed the County stood to lose over \$1 million in State Revenue Sharing. All the detailed information was gathered, and the reporting was completed on November 7, 2017 and submitted electronically to the State and a link to all reports was posted on the County's home webpage.
5. As another component of the audit process, we gathered all the data and completed 10 statistical tables that are presented in the comprehensive annual financial report in the statistical section of the report. This included gathering a multitude of financial and non-financial data for the required tables as required by the GFOA for submission for the Certificate of Achievement for Excellence in Financial Reporting.

6. I have attended various Finance Committee, Leadership Council, and Leadership Team meetings, along with some Commissioner's Work Sessions this quarter. We have also had a variety of "informal" meetings with Administrator's office staff, the Administrator, and various other County employees as needed to be a resource on various financial aspects of the County.
7. Effective 10/1/16 we implemented a process of having all journal entries prepared and reviewed by two different staff members in the Administrator's office. I have reviewed all journal entries for October 2017 through the end of December 2017. This included the remainder of the year end audit preparation journal entries.
8. Assisted with the review of quarterly billings to various entities and reviewed certain monthly financial status reports for a variety of grants. We also worked with IT Department to evaluate a new requirement by the State of Michigan as it relates to the IV-D grants and an upcoming requirement for an independent IT audit.
9. A goal of the prior fiscal year (16/17) was to get a quarterly revenue/expenditure, budget vs. actual report developed from the previous accounting software and have it available for the Commissioners to review and assess the financial status of the County in the more significant Funds (General, COA, etc.). This report for the previous quarters was provided through the last report for the quarter ended June 30, 2017. The expectation is that we will issue a preliminary 9/30/17, which will be pre-audit, by the end of February 2018.
10. In the next quarter we expect to continue to be heavily involved with audit wrap up and issuance. Once that is completed, we would hope to also complete a majority of the policy preparations as noted above and begin to evaluate centralized purchasing; contract management; working to practically apply the cost allocation plan to current operations and implement a plan for complete implementation in the near future; evaluation of the MERS and MMRMA processes; performing a five-year financial forecast; and any other projects as assigned that would be beneficial to the County.

We are pleased that the County continues to take these positive steps to improve your financial management functions. We feel we continue to be a positive resource for the County and our accomplishments are meeting the expectations of the County. We look forward to continuing our relationship long into the future and being a valued member of the Management Team of the County for many years to come. Thank you for the opportunity to assist you in this process. If you should have any questions or need additional information, please let me know.



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