

**NOTICE OF SEMI-MONTHLY COUNTY BOARD MEETING  
And AUDIT/FINANCE MEETING**

PLEASE TAKE NOTICE that the Schoolcraft County Board of Commissioners will meet on **Thursday, December 12, 2024**, in the District Courtroom of the Schoolcraft County Building, Manistique, Michigan, commencing at **5:00 P.M.**

The following is the proposed Agenda:

1. Call to Order
2. Roll Call
3. Pledge of Allegiance
4. Approval of Minutes: December 3, 2024, Board/Audit Meeting

5. Approval of agenda
6. Public Hearings Schoolcraft County Master Plan
7. Brief Public Comment
8. Old and unfinished business

9. New Business:

Indian Lake/Gulliver/McDonald Lake Authority Update  
Schoolcraft County Master Plan  
Krisina Hansen MAS Superintendent  
Anderson, Tackman Engagement Letter Fiscal Yr 2024  
MISHDA Mortgage Discharge - Herro  
Audit/Finance Committee Recommendations/Action Items  
Closed Session – Union Negotiations/Contracts (AFSCME & FOPLC)

10. Committee and department reports
11. Announcements and notices
12. Public Comment
13. Commissioner's Comments
14. Communications
15. Audit Claims and Vouchers
16. Adjournment

And, to take up and consider any other matter which may lawfully come before the Board at this time.

*Paul Walker*

Paul Walker, Chairperson  
Schoolcraft County Board of Commissioners

*Craig Reiter*

Craig Reiter, Chairperson Audit-Finance  
Schoolcraft County Board of Commissioners

**Public may view this meeting via zoom (listening purposes only) no public comment or interaction via zoom.**

**Join Zoom Meeting**

**<https://us02web.zoom.us/j/5117745749>**

**Meeting ID: 511 774 5749**

**Passcode: 987456**

**SCHOOLCRAFT COUNTY BOARD OF COMMISSIONERS  
BOARD MEETING and AUDIT/FINANCE MEETING**

The Schoolcraft County Board of Commissioner’s Board Meeting / Audit Finance Meeting met on Tuesday, December 3, 2024, in the District Courtroom of the Schoolcraft County Building, City of Manistique, Michigan. Chairman Paul Walker called the meeting to order at 5:00 p.m. The roll was called with the following members present and/or absent:

Present:           Commissioner Bruce Birr  
                      Commissioner Troy Bassett  
                      Commissioner Paul Walker  
                      Commissioner Daniel P. Hoholik  
                      Schoolcraft County Clerk Beth A. Edwards

Absent:            Commissioner Craig Reiter (excused)

Chairman Paul Walker led the Schoolcraft County Board of Commissioners and the members of the audience in the Pledge of Allegiance to the Flag of the United States of America.

**It was moved** by Commissioner Troy Bassett and was seconded by Commissioner Bruce Birr to approve the minutes of the November 14, 2024, Board and Audit-Finance Meeting and November 26, 2024, Meeting of the Whole of the Schoolcraft County Board of Commissioners. The motion carried by unanimous aye vote of the Board members present. [Copies of minutes are available at the Office of the Schoolcraft County Clerk.]

Chairman Paul Walker asked if there were any additions, deletions, or corrections to the printed agenda. **It was moved** by Commissioner Troy Bassett and was seconded by Commissioner Daniel P. Hoholik to approve the amended agenda. The motion carried by a unanimous aye vote of the Board members present.

“Public Hearings”: George Price addressed the zoning for a dog kennel that has been in place since 2019. Went for a Zoning Variance, denied, and went to the Zoning Board of Appeals, denied. Told several things, tried to comply but still denied.

“Brief Public Comment”: None

“Unfinished Business”: None

**“New Business”:**

Paul Walker stated he will give a complete update on all three dams at the December 12, 2024, meeting. He had asked Luke O’Brien from Spicer Group to appear by zoom to give an update for a grant to do a feasibility study on the Gulliver Lake Dam.

Luke O’Brien stated that the Dam Inspections have been completed and they had received the preliminary reports. The Gulliver Lake Dam still shows some seepage and other issues. They just received notice that there is a Dam Risk Reduction Grant available with a short turnaround time which he would suggest could be used to provide a feasibility study on the Gulliver Lake Dam.

**It was moved** by Commissioner Troy Bassett and was seconded by Commissioner Bruce Birr to authorize Spicer Group to prepare the pre-application for the EGLE Risk Reduction Grant for a Gulliver Lake Dam Feasibility Study. The motion carried by a unanimous aye vote of the Board members present.

**It was moved** by Commissioner Daniel P. Hoholik and was seconded by Commissioner Bruce Birr to authorize payment to Spicer Group and Fahey, Schultz Burzych Rhodes PLC for all outstanding invoices for the Carpenter Dam, Gulliver Lake Dam, and McDonald Lake Dam in the approximate amount of \$73,708. The motion carried by a unanimous aye vote of the Board members present.

**It was moved** by Commissioner Troy Bassett and was seconded by Commissioner Bruce Birr to approve the MISHDA Mortgage Discharge (Tax ID 77-001-134-001-05) Schnurer/McCracken and authorize Paul Walker, Board Chairman, to sign the discharge. The motion carried by a unanimous aye vote of the Board members present.

**It was moved** by Commissioner Troy Bassett and was seconded by Commissioner Bruce Birr to appoint Sheriff Charles Willour to the UP 911 Authority Board, term expires December 31, 2027. The motion carried by a unanimous aye vote of the Board members present.

**It was moved** by Commissioner Troy Bassett and was seconded by Commissioner Daniel P. Hoholik to appoint Patrick Carley and Joan Brown to the Schoolcraft County Planning Commission, terms expire December 31, 2027. The motion carried by a unanimous aye vote of the Board members present.

**It was moved** by Commissioner Troy Bassett and was seconded by Commissioner Bruce Birr to approve the Renewal of the BCBSM Simply Blue Plan, AM First Gap Plan to current levels except

for 2<sup>nd</sup> Submit HRA through Acrisure for Copays as follows: Office Visit \$30 to \$10, Specialty Office Visit \$50 to \$10, Chiropractor (30 visits) \$30 to \$0, Urgent Care \$60 to \$10. The motion carried by a unanimous aye vote of the Board members present.

**It was moved** by Commissioner Bruce Birr and was seconded by Commissioner Troy Bassett to approve the FY2025 Survey and Remonumentation Grant in the amount of \$85,423. The motion carried by a unanimous aye vote of the Board members present.

**It was moved** by Commissioner Troy Bassett and was seconded by Commissioner Daniel P. Hoholik to approve the purchase a 2023 Chevrolet ¾ ton Pickup from TEAM Chevrolet in the amount of \$47,299 from the committed ARPA Funds of \$50,500. The motion carried by a unanimous aye vote of the Board members present.

**It was moved** by Commissioner Troy Bassett and was seconded by Commissioner Daniel P. Hoholik to approve the per diem payment for all meetings attended in one day, eliminating the two meeting per day max payment. The motion carried by a unanimous aye vote of the Board members present.

**Under Committee and Department Reports, the following matters were heard:**

**Commissioner Daniel P. Hoholik:** attended Building/Grounds & Airport Committee, Personnel Committee, and Planning Commission meetings

**Commissioner Paul Walker:** attended Manistique City Council and Audit/Finance Committee meetings.

**Commissioner Bruce Birr:** attended Commission on Aging, Manistique City Council, Manistique Township, and Schoolcraft Transit Authority meetings.

**Commissioner Troy Bassett:** attended Building/Grounds and Airport Committee, Personnel Committee, and Road Commission meetings.

**Announcements and Notices:** None

**Public Comment:** None

**Commissioner's Comment:**

Paul Walker addressed the STC/EDC funding issue.

Troy Bassett stated the Dr. Hansen, MAS Superintendent, will talk to the City regarding School Resource Officer funding.

**Communications:** None.

At 5:52 p.m., meeting was turned over to Craig Reiter, Audit-Finance Chairman.

**It was moved** by Commissioner Troy Bassett and was seconded by Commissioner Bruce Birr to approve the claims and vouchers numbered **9733 through 9873**, inclusive. The motion carried by unanimous aye vote of the Board members present.

**It was moved** by Commissioner Troy Bassett and was seconded by Commissioner Daniel P. Hoholik to approve the budget adjustments numbered **25-8 through 25-23**, inclusive. The motion carried by unanimous aye vote of the Board members present.

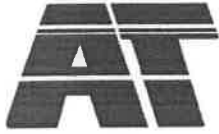
At 5:53 p.m., the meeting was turned back over to Chairman Paul Walker. Chairman Paul Walker asked if there was any further business to come before the Board.

**It was moved** by Commissioner Troy Bassett and was seconded by Commissioner Bruce Birr to adjourn. The motion carried by a unanimous aye vote of the Board members present.

**Chairman Paul Walker** adjourned the Board and Audit Finance Meeting at 5:53 p.m.

\_\_\_\_\_  
Beth A. Edwards, County Clerk

Approved: \_\_\_\_\_



**ANDERSON, TACKMAN & COMPANY, PLC**  
Certified Public Accountants

Kristine P. Berhow, CPA, Principal  
Brandy M. Olson, CPA, Principal  
Kathleen A. Ciantar, CPA, Principal

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*"A Regional Firm Within the Upper Peninsula of Michigan"*

November 4, 2024

To the Board of Commissioners and  
Management of Schoolcraft County  
300 Walnut Street  
Manistique, MI 49854

We are pleased to confirm our understanding of the services we are to provide Schoolcraft County for the year ended September 30, 2024.

**Audit Scope and Objectives**

We will audit the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information, and the disclosures, which collectively comprise the basic financial statements of Schoolcraft County as of and for the year ended September 30, 2024. Accounting standards generally accepted in the United States of America (GAAP) provide for certain required supplementary information (RSI), such as management's discussion and analysis (MD&A), to supplement Schoolcraft County's basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. As part of our engagement, we will apply certain limited procedures to Schoolcraft County's RSI in accordance with auditing standards generally accepted in the United States of America (GAAS). These limited procedures will consist of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We will not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient appropriate evidence to express an opinion or provide any assurance. The following RSI is required by GAAP and will be subjected to certain limited procedures, but will not be audited:

- 1) Management's Discussion and Analysis
- 2) Schedules of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual
- 3) Schedules of Changes in Net Pension Liability and related Ratios
- 4) Schedule of Employer Contributions for Pension Plans
- 5) Schedule of Changes in Net OPEB Liability and Related Ratios
- 6) Schedule of Employer Contributions for OPEB

We have also been engaged to report on supplementary information other than RSI that accompanies Schoolcraft County's financial statements. We will subject the following supplementary information to the auditing procedures applied in our audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with GAAS, and we will provide an opinion on it in relation to the financial statements as a whole either in a separate written report accompanying our auditor's report on the financial statements or in a report combined with our auditor's report on the financial statements:

- 1) Combining and Individual Nonmajor Fund Financial Statements

The objectives of our audit are to obtain reasonable assurance as to whether the financial statements as a whole are free from material misstatement, whether due to fraud or error; issue an auditor's report that includes our opinion about whether your financial statements are fairly presented, in all material respects, in conformity with GAAP; and report on the fairness of the supplementary information referred to in the second paragraph when considered in relation to the financial statements as a whole. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. Misstatements, including omissions, can arise from fraud or error and are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment of a reasonable user made based on the financial statements.

The objectives also include reporting on internal control over financial reporting and compliance with provisions of laws, regulations, contracts, and award agreements, noncompliance with which could have a material effect on the financial statements in accordance with *Government Auditing Standards*.

### **Auditor's Responsibilities for the Audit of the Financial Statements**

We will conduct our audit in accordance with GAAS and the standards for financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and will include tests of your accounting records of Schoolcraft County and other procedures we consider necessary to enable us to express such opinions. As part of an audit in accordance with GAAS and *Government Auditing Standards*, we exercise professional judgment and maintain professional skepticism throughout the audit.

We will evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management. We will also evaluate the overall presentation of the financial statements, including the disclosures, and determine whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation. We will plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the government or to acts by management or employees acting on behalf of the government. Because the determination of waste and abuse is subjective, *Government Auditing Standards* do not expect auditors to perform specific procedures to detect waste or abuse in financial audits nor do they expect auditors to provide reasonable assurance of detecting waste or abuse.

Because of the inherent limitations of an audit, combined with the inherent limitations of internal control, and because we will not perform a detailed examination of all transactions, there is an unavoidable risk that some material misstatements may not be detected by us, even though the audit is properly planned and performed in accordance with GAAS and *Government Auditing Standards*. In addition, an audit is not designed to detect immaterial misstatements or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements. However, we will inform the appropriate level of management of any material errors, fraudulent financial reporting, or misappropriation of assets that comes to our attention. We will also inform the appropriate level of management of any violations of laws or governmental regulations that come to our attention, unless clearly inconsequential. Our responsibility as auditors is limited to the period covered by our audit and does not extend to any later periods for which we are not engaged as auditors.

In connection with this engagement, we may communicate with you or others via email transmission. As emails can be intercepted and read, disclosed, or otherwise used or communicated by an unintended third party, or may not be delivered to each of the parties to whom they are directed and only to such parties, we cannot guarantee or warrant that emails from us will be properly delivered and read only by the addressee. Therefore, we specifically disclaim and waive any liability or responsibility whatsoever for interception or unintentional disclosure of emails transmitted by us in connection with the performance of this engagement. In that regard, you agree that we shall have no liability for any loss or damage to any person or entity resulting from the use of email transmissions, including any consequential, incidental, direct, indirect, or special damages, such as loss of revenues or anticipated profits, or disclosure or communication of confidential or proprietary information.

We will also conclude, based on the audit evidence obtained, whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the government's ability to continue as a going concern for a reasonable period of time.

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts, and direct confirmation of receivables and certain assets and liabilities by correspondence with selected customers, creditors, and financial institutions. We will also request written representations from your attorneys as part of the engagement.

We have identified significant risks of material misstatement as part of our audit planning and communicated those to the commissioners in a separate letter. Our audit of financial statements does not relieve you of your responsibilities.

#### **Audit Procedures—Internal Control**

We will obtain an understanding of the government and its environment, including the system of internal control, sufficient to identify and assess the risks of material misstatement of the financial statements, whether due to error or fraud, and to design and perform audit procedures responsive to those risks and obtain evidence that is sufficient and appropriate to provide a basis for our opinions. Tests of controls may be performed to test the effectiveness of certain controls that we consider relevant to preventing and detecting errors and fraud that are material to the financial statements and to preventing and detecting misstatements resulting from illegal acts and other noncompliance matters that have a direct and material effect on the financial statements. Our tests, if performed, will be less in scope than would be necessary to render an opinion on internal control and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to *Government Auditing Standards*. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentation, or the override of internal control. An audit is not designed to provide assurance on internal control or to identify significant deficiencies or material weaknesses. Accordingly, we will express no such opinion. However, during the audit, we will communicate to management and those charged with governance internal control related matters that are required to be communicated under AICPA professional standards and *Government Auditing Standards*.

#### **Audit Procedures—Compliance**

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will perform tests of Schoolcraft County's compliance with the provisions of applicable laws, regulations, contracts, agreements, and grants. However, the objective of our audit will not be to provide an opinion on overall compliance and we will not express such an opinion in our report on compliance issued pursuant to *Government Auditing Standards*.

#### **Responsibilities of Management for the Financial Statements**

Our audit will be conducted on the basis that you acknowledge and understand your responsibility for designing, implementing, establishing, and maintaining effective internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error, and for evaluating and monitoring ongoing activities to help ensure that appropriate goals and objectives are met; following laws and regulations; and ensuring that management and financial information is reliable and properly reported. Management is also responsible for implementing systems designed to achieve compliance with applicable laws, regulations, contracts, and grant agreements. You are also responsible for the selection and application of accounting principles, for the preparation and fair presentation of the financial statements and all accompanying information in conformity with accounting principles generally accepted in the United States of America, and for compliance with applicable laws and regulations and the provisions of contracts and grant agreements.

Management is responsible for making drafts of financial statements, all financial records, and related information available to us; for the accuracy and completeness of that information (including information from outside of the general and subsidiary ledgers); and for the evaluation of whether there are any conditions or events, considered in the aggregate, that raise substantial doubt about the government's ability to continue as a going concern for the 12 months after the financial statements date or shortly thereafter (for example, within an additional three months if currently known). You are also responsible for providing us with (1) access to all information of which you are aware that is relevant to the preparation and fair presentation of the financial statements, such as records, documentation, identification of all related parties and all related-party relationships and transactions, and other matters; (2) additional information that we may request for the purpose of the audit; and (3) unrestricted access to persons within the government from whom we determine it necessary to obtain audit evidence. At the conclusion of our audit, we will require certain written representations from you about your responsibilities for the financial



statements; compliance with laws, regulations, contracts, and grant agreements; and other responsibilities required by GAAS and *Government Auditing Standards*.

Your responsibilities include adjusting the financial statements to correct material misstatements and for confirming to us in the written representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements of each opinion unit taken as a whole.

You are responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud affecting the government involving (1) management, (2) employees who have significant roles in internal control, and (3) others where the fraud could have a material effect on the financial statements. Your responsibilities include informing us of your knowledge of any allegations of fraud or suspected fraud affecting the government received in communications from employees, former employees, grantors, regulators, or others. In addition, you are responsible for identifying and ensuring that the government complies with applicable laws, regulations, contracts, agreements, and grants and for taking timely and appropriate steps to remedy fraud and noncompliance with provisions of laws, regulations, or contracts or grant agreements that we report.

You are responsible for the preparation of the supplementary information, which we have been engaged to report on, in conformity with accounting principles generally accepted in the United States of America (GAAP). You agree to include our report on the supplementary information in any document that contains, and indicates that we have reported on, the supplementary information. You also agree to include the audited financial statements with any presentation of the supplementary information that includes our report thereon. Your responsibilities include acknowledging to us in the written representation letter that (1) you are responsible for presentation of the supplementary information in accordance with GAAP; (2) you believe the supplementary information, including its form and content, is fairly presented in accordance with GAAP; (3) the methods of measurement or presentation have not changed from those used in the prior period (or, if they have changed, the reasons for such changes); and (4) you have disclosed to us any significant assumptions or interpretations underlying the measurement or presentation of the supplementary information.

Management is responsible for establishing and maintaining a process for tracking the status of audit findings and recommendations. Management is also responsible for identifying and providing report copies of previous financial audits, attestation engagements, performance audits or other studies related to the objectives discussed in the Audit Scope and Objectives section of this letter. This responsibility includes relaying to us corrective actions taken to address significant findings and recommendations resulting from those audits, attestation engagements, performance audits, or other studies. You are also responsible for providing management's views on our current findings, conclusions, and recommendations, as well as your planned corrective actions, for the report, and for the timing and format for providing that information.

### **Other Services**

We will also assist in preparing the financial statements, including modified accrual to full accrual reconciliations, and related notes of Schoolcraft County in conformity with accounting principles generally accepted in the United States of America, assist in the preparation of the State of Michigan Form F-65 (Annual Local Unit Fiscal Report), assist in preparing calculations of the net pension liability, and related amounts for compliance with GASB 68, and GASB 87 relating to leases (collectively, the "nonaudit services") based on information provided by you. These nonaudit services do not constitute an audit under *Government Auditing Standards* and such services will not be conducted in accordance with *Government Auditing Standards*. We will perform the services in accordance with applicable professional standards. The other services are limited to the financial statement services previously defined. We, in our sole professional judgment, reserve the right to refuse to perform any procedure or take any action that could be construed as assuming management responsibilities.

You agree to assume all management responsibilities for the financial statements, schedule of expenditures of federal awards, related notes, F-65, pension calculations, data collection form, and any other nonaudit services we provide. You will be required to acknowledge in the management representation letter our assistance with the nonaudit services and that you have reviewed and approved the financial statements, the schedule of expenditures of federal awards, related notes, F-65, and data collection form prior to their issuance and have accepted responsibility for them. Further, you agree to oversee the nonaudit services by designating an individual, preferably

from senior management, with suitable skill, knowledge, or experience; evaluate the adequacy and results of those services; and accept responsibility for them.

### **Engagement Administration, Fees, and Other**

We understand that your employees will prepare all cash, accounts receivable, or other confirmations we request and will locate any documents selected by us for testing.

We will schedule the engagement based in part on deadlines, working conditions, and the availability of your key personnel. We will plan the engagement based on the assumption that your personnel will cooperate and provide assistance by performing tasks such as preparing requested schedules, retrieving supporting documents, and preparing confirmations. If, for whatever reason, your personnel are unavailable to provide the necessary assistance in a timely manner, it may substantially increase the work we have to do to complete the engagement within the established deadlines, resulting in an increase in fees over our original fee estimate.

We will provide copies of our reports to Schoolcraft County; however, management is responsible for distribution of the reports and the financial statements. Unless restricted by law or regulation, or containing privileged and confidential information, copies of our reports are to be made available for public inspection.

The audit documentation for this engagement is the property of Anderson, Tackman & Company, PLC and constitutes confidential information. However, subject to applicable laws and regulations, audit documentation and appropriate individuals will be made available upon request and in a timely manner to a federal agency or its designee, a federal agency providing direct or indirect funding, or the U.S. Government Accountability Office for the purposes of a quality review of the audit, to resolve audit findings, or to carry out oversight responsibilities. We will notify you of any such request. If requested, access to such audit documentation will be provided under the supervision of Anderson, Tackman & Company, PLC personnel. Furthermore, upon request, we may provide copies of selected audit documentation to the aforementioned parties. These parties may intend or decide to distribute the copies or information contained therein to others, including other governmental agencies.

The audit documentation for this engagement will be retained for a minimum of five years after the report release date or for any additional period requested by the federal agency. If we are aware that a federal awarding agency or auditee is contesting an audit finding, we will contact the party(ies) contesting the audit finding for guidance prior to destroying the audit documentation.

As an attest client, Anderson, Tackman & Company, PLC cannot retain your documents on your behalf. This is in accordance with the ET 1.295.143 of the *AICPA Code of Professional Conduct*. Schoolcraft County is responsible for maintaining its own data and records.

Citrix Sharefile is used solely as a method of exchanging information and is not intended to store Schoolcraft County's information. At the end of the engagement, Anderson, Tackman & Company will provide Schoolcraft County with a copy (in an agreed-upon format) of deliverables and data related to the engagement from the Citrix Sharefile. Upon completion of the engagement, data and other content will be removed from the Citrix Sharefile portal within a reasonable time frame.

Brandy M. Olson, CPA is the engagement partner and is responsible for supervising the engagement and signing the reports or authorizing another individual to sign them. To ensure that Anderson, Tackman & Company, PLC's independence is not impaired under the *AICPA Code of Professional Conduct*, you agree to inform the engagement partner before entering into any substantive employment discussions with any of our personnel. We expect to begin our audit in November 2024 and to issue our reports no later than March 31, 2025.

Our fee for services will be \$27,900 for the financial statement audit and \$4,100 for the preparation of financial statements, F-65, and GASB 68 pension calculations combined. Our fee for the audit of the Schoolcraft County Economic Development Corporation will be at our standard hourly rates. Any additional nonaudit services, if requested, will also be billed at our standard hourly rates, which vary according to the degree of responsibility involved and experience level of the personnel assigned. Our fee does not include audits of the Schoolcraft County Road Commission, Schoolcraft memorial Hospital, Schoolcraft County Transit Authority, or Schoolcraft County Medical Care Facility.

Our invoices for these fees will be rendered each month as work progresses and are payable on presentation. In accordance with our firm policies, work may be suspended if your account becomes overdue and may not be resumed until your account is paid in full. If we elect to terminate our services for nonpayment, our engagement

will be deemed to have been completed upon written notification of termination, even if we have not completed our report. You will be obligated to compensate us for all time expended and to reimburse us for all out-of-pocket costs through the date of termination. The above fee is based on anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during the audit. If significant additional time is necessary, we will discuss it with you and arrive at a new fee estimate before we incur the additional costs. You may request that we perform additional services not addressed in this engagement letter. If this occurs, we will communicate with you regarding the scope of the additional services and the estimated fees. We also may issue a separate engagement letter covering the additional services. In the absence of any other written communication from us documenting such additional services, our services will continue to be governed by the terms of this engagement letter.

*Government Auditing Standards* require that we provide you with a copy of our most recent external peer review report and any letter of comment, as well as any subsequent review reports and letters of comment received during the period of the contract, if requested. Our 2022 peer review report can be viewed at [www.aicpa.org](http://www.aicpa.org).

Our audit engagement ends on delivery of our audit report. Any follow-up services that might be required will be a separate, new engagement. The terms and conditions of that new engagement will be governed by a new, specific engagement letter for that service.

Because there are inherent difficulties in recalling or preserving information as the period after an engagement increases, you agree that, notwithstanding the statute of limitations of the State of Michigan, any claim based on the agreed-upon procedures engagement must be filed within 12 months after performance of our service, unless you have previously provided us with a written notice of a specific defect in our services that forms the basis of the claim.

If any dispute arises among the parties hereto, the parties agree first to try to act in good faith to settle the dispute by mediation administered by the American Arbitration Association under its Rules for Professional Accounting and Related Services Disputes before resorting to litigation. The costs of any mediation proceeding shall be shared equally by all parties.

By your signature below, you hereby agree that if we receive a subpoena for testimony or documents related to any services provided under this engagement, you will be liable for all of our time and reasonable expenses in responding to such subpoena, including the time to testify at deposition and/or trial, regardless of whether the subpoena is served by you as the client or is served on us by a third party and regardless of whether the subpoena seeks only testimony as a fact witness or documents. Our time will be billed at our standard rates in existence at the time of the service of the subpoena and for the persons who are involved in replying to the subpoena(s). You further agree that payment for these support services is due upon receipt and is subject to the same terms and conditions as further provided in this engagement letter.

In accordance with the terms and conditions of this agreement, Schoolcraft County shall be responsible for the accuracy and completeness of all data, information and representations provided to us for purposes of this engagement. Because of the importance of oral and written management representations to the effective performance of our services, Schoolcraft County releases and indemnifies our firm and its personnel from any and all claims, liabilities, costs and expenses attributable to any misrepresentation by management and its representatives.

### **Reporting**

We will issue a written report upon completion of our audit of Schoolcraft County's financial statements. Our report will be addressed to the Board of Commissioners and Management of Schoolcraft County. Circumstances may arise in which our report may differ from its expected form and content based on the results of our audit. Depending on the nature of these circumstances, it may be necessary for us to modify our opinions, add a separate section, or add an emphasis-of-matter or other-matter paragraph to our auditor's report, or if necessary, withdraw from this engagement. If our opinions are other than unmodified, we will discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed opinions, we may decline to express opinions or issue reports, or we may withdraw from this engagement.

If circumstances occur related to the condition of your records, the availability of sufficient, appropriate audit evidence, or the existence of a significant risk of material misstatement of the financial statements caused by error, fraudulent financial reporting, or misappropriation of assets, which in our professional judgment prevent us from

completing the audit or forming an opinion on the financial statements, we retain the right to take any course of action permitted by professional standards, including declining to express an opinion or issue reports, or withdrawing from the engagement.

We will also provide a report (that does not include an opinion) on internal control related to the financial statements and compliance with the provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a material effect on the financial statements as required by *Government Auditing Standards*. The report on internal control and on compliance and other matters will state (1) that the purpose of the report is solely to describe the scope of testing of internal control and compliance, and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control on compliance, and (2) that the report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. The report will also state that the report is not suitable for any other purpose. If during our audit we become aware that Schoolcraft County is subject to an audit requirement that is not encompassed in the terms of this engagement, we will communicate to management and those charged with governance that an audit in accordance with U.S. generally accepted auditing standards and the standards for financial audits contained in *Government Auditing Standards* may not satisfy the relevant legal, regulatory, or contractual requirements.

We appreciate the opportunity to be of service to Schoolcraft County and believe this letter accurately summarizes the significant terms of our engagement. If you have any questions, please let us know. If you agree with the terms of our engagement as described in this letter, please sign the attached copy and return it to us.



ANDERSON, TACKMAN & COMPANY, PLC  
Certified Public Accountants  
Escanaba, Michigan

RESPONSE:

This letter correctly sets forth the understanding of Schoolcraft County.

Management signature: \_\_\_\_\_

Title: \_\_\_\_\_

Governance signature: \_\_\_\_\_

Title: \_\_\_\_\_

**DISCHARGE OF MORTGAGE**

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THE MORTGAGE/REPAYMENT AGREEMENTS,

Dated October 13, 2004 and August 21, 2006, given by

Melinda L. Wood a single woman and Kevin Herro a/k/a Kevin M. Herro, a single man of 223 E. Elk Street, Manistique, MI 49854, Borrowers

To The County of Schoolcraft, Lender, 300 Walnut St., Manistique MI. 49854 and recorded October 19, 2004 in Liber 203 page 388 and recorded August 30, 2006 in Liber 227 Page 172 respectively in the Office of the Register of Deeds for Schoolcraft County, Michigan, are fully paid and hereby discharged.

*In Witness, Whereof*, this instrument is dated December \_\_\_\_, 2024.

County of Schoolcraft

\_\_\_\_\_  
by: Paul Walker  
Chairman- Board of Commissioners  
Schoolcraft County

State of Michigan )s.s.  
County of Schoolcraft )

On December \_\_\_\_, 2024, before me appeared Paul Walker to me personally known, who being by me duly sworn, did say that he is respectively the Chairman-Board of Commissioners Schoolcraft County and he acknowledged said instrument to be his free act and deed on behalf of said County.

\_\_\_\_\_  
Notary Public, State of Michigan  
County of Schoolcraft  
My Commission expires:  
Acting in the County of:

Prepared by:  
Schoolcraft County  
P. Walker  
Assisted by Schoolcraft Title  
Agency  
300 Walnut St.  
Manistique, MI 49854

When Recorded Return to: Schoolcraft County, 300 Walnut Street, Manistique, MI 49854

## NOTICE OF COMMITTEE MEETING

**PLEASE TAKE NOTICE** that there will be a meeting of the *Audit-Finance Committee* of the Schoolcraft County Board of Commissioners on **Monday, December 9, 2024, at 3:30 p.m.** in the 1st Floor Conference Room, Schoolcraft County Courthouse, Manistique, Michigan.

1. Call to Order
2. Roll Call
3. Pledge of Allegiance
4. Discussion:
  - EDC/STC Memorandum of Understanding
  - Dental and Vision Renewal
  - PA152 Opt Out
  - FOC/Referee reimbursement formula to Mackinac Co.
  - Any other business brought before committee
5. Public Comment
6. Adjournment

and to take up and consider any other matter which may lawfully come before the Board at this time.

*Craig Reiter* Dated: December 6, 2024

Craig Reiter, Audit-Finance Committee Chairman  
Schoolcraft County Commissioner