

**Minutes of Meeting  
Auditor  
February 21, 2023  
11:00 a.m.**

The Kootenai County Board of Commissioners: Chair Leslie Duncan, Commissioner Bruce Mattare and Commissioner Bill Brooks met to discuss the following agenda item. Also present were Clerk Jennifer Locke, Finance Director Brandi Falcon, Deputy Finance Director Keith Taylor, Staff Accountant – Grants Julina Hildreth, BOCC Communications Coordinator Jonathan Gillham and Deputy Clerk Tina Ginorio. Also present were Eide Bailly Representatives Jacob Faulkes and Barry Weber. Commissioner Brooks was present via teleconference.

- A. Call to Order:** Chair Leslie Duncan called the meeting to order at 11:00 a.m.
- B. Changes to the Agenda (Action):** There were no changes to the agenda.
- C. Business:**

**External Auditor Presentation of Annual Audit (Discussion)**

Finance Director Brandi Falcon introduced Eide Bailly Representatives Jacob Faulkes and Barry Weber. She stated that she and Deputy Finance Director Keith Taylor had been very pleased to work with Eide Bailly in the past and praised their services and personnel.

Ms. Falcon reported that the Auditor’s Office was about one month behind where it normally was this year, due to the implementation of GASB (Government Accounting Standard Board) 87 and staff shortages over the past summer. She explained that GASB was a new Governmental Accounting Pronouncement, effective for FY22 and changed the way all leases were accounted for and presented. She noted that the County had a number of leases and that the BOCC had authorized the purchase of specialized software related to the change.

Ms. Falcon remarked that it had taken several months of work for Mr. Taylor and Fixed Asset Accountant Erica Severance to get the new software running and to input all the leases.

Ms. Falcon said that they had since overcome these challenges and things were coming together smoothly for the yearly audit and financials. She stated that, once these financials were finalized in mid-March, they would be brought before the Board for the Assigned Fund Balance Resolution.

Mr. Weber remarked that this was the sixth or seventh year that Eide Bailly had done the County audit. He said that it appeared that there would be no unusual issues with this year’s audit. He described the impact the changes in lease management had made.

Mr. Weber stated that the other item of note in this year’s audit would be in relation to the Solid Waste Landfill and described how this would be reflected in their reports.

Mr. Weber reminded those present that Eide Bailly also did single audits of expenditures of federal awards, mainly in the Airport and Transit programs. He explained that they identified the major programs and tested them to generate their reports. He added that Eide Bailly also tested the County's internal financial controls to be sure the structure was appropriate to the County's needs.

Mr. Weber said that there appeared to be no issues in any of the areas Eide Bailly had reviewed. He complimented the County's Auditor's Office on the quality of their work and the level of cooperation his team always received when working here.

Commissioner Bruce Mattare asked how the liability on leases was offset.

Mr. Weber explained the process by which the value of the leases was calculated and offset.

Mr. Faulkes stated that the liability and the equal offsetting asset for the Airport was at about \$17 million. He provided additional information on the amortization of the leases and the income they generated each year.

Mr. Taylor confirmed the figures referenced by Mr. Weber and Mr. Faulkes.

Mr. Weber reported that Solid Waste post-closure fund had required an adjustment to the inflation liability. He said this had been performed and the information would be included in their reports. He provided additional details about the Solid Waste Fund, post closure responsibilities and best practices.

Ms. Falcon commented that there was no action item scheduled for today, but she would like the Board to consider the next two year contract renewal with Eide Bailly. She asked for Board direction to get a quote.

Chair Duncan asked how many years the County should use the same auditing company before changing to have fresh eyes on their accounts.

Ms. Falcon explained that, while the same leadership was generally retained, Eide Bailly normally had different staff actually doing the work each year, so a fresh look was taken regularly. She said it was the Board's decision whether they wanted to go out for an RFP (Requests for Proposals) at this time.

Mr. Weber responded that they did regularly rotate the management team for government clients, to ensure that new eyes could review files.

Commissioner Bruce Mattare said he felt a completely fresh management team from Eide Bailly, in addition to the new workers on the ground, seemed sufficient to him.

Chair Duncan suggested that having this stipulation be included in the new contract would be enough for her.

Commissioner Bill Brooks said he would favor sending an RFP.

- D. **Public Comment:** This section is reserved for citizens wishing to address the Board regarding a County related issue. Idaho Law prohibits Board action on items brought under this section except in an emergency circumstance. Comments related to future public hearings should be held for that public hearing. There were no public comments.
- E. **Adjournment (Action):** Chair Duncan adjourned the meeting at 11:18 a.m.

Respectfully submitted,

JENNIFER LOCKE, CLERK

BOCC SIGNATURE

BY: \_\_\_\_\_  
Tina Ginorio, Deputy Clerk