



Agenda for the Regular Meeting Dalton Gardens City Council

Thursday, October 6, 2022

6:00 PM City Council Meeting

Location: DALTON GARDENS CITY HALL, 6360 N 4th St., Dalton Gardens, ID

Meeting will be conducted in person and via Zoom.

Please use this link to join the webinar via computer/smartphone:

<https://us02web.zoom.us/j/88680445095?pwd=OUIWRFA3V2NLMi83cFp2VWd5WjM2UT09>

Phone Number: 1-669-900-6833 or 1-346-248-7799 or 1-253-215-8782

Webinar ID:886 8044 5095; **Passcode:** 104178

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1. **CALL TO ORDER**
 2. **ROLL CALL**
 3. **PLEDGE OF ALLEGIANCE**
 4. **APPROVAL CONSENT CALENDAR- ACTION**
 - a. Minutes from the Regular Meeting September 26, 2022
 - b. Ratification of Bills from September 1-30, 2022
 5. **CITY REPORTS**
 - a. City Engineer
 - b. City Planner
 - c. City Attorney
 - d. KCSO
 6. **PUBLIC COMMENT PERIOD:**

Each speaker will be allowed a maximum of three (3) minutes to address the City Council on matters that relate to City government business. Comments related to future public hearings should be held for that public hearing. Please be advised that the City Council can only take official action this evening for those items already listed on the agenda.
 7. **CITY BUSINESS**
 - a. Biohazard Response Presentation
 - b. Annual Picnic Final Report
 - c. Consideration of Magnuson, McHugh & Company Letter of Engagement for Audit FY22- **ACTION**
 - d. Consideration of Anderson Brothers Letter of Engagement for Pre-Audit Prep- **ACTION**
 - e. Consideration of Anderson Brothers Letter of Engagement for As-Needed Accountant Services- **ACTION**
 - f. Consideration of Kootenai County Public Transportation- **ACTION**
 - g. Consideration of contract with KCSO for dedicated service for FY23- **ACTION**
 - h. Discussion of November Agenda Items
 8. **ADJOURNMENT- ACTION**

Original Posting: 10/03/2022

The purpose of this Agenda is to assist the Council and interested citizens in the conduct of the public meeting. Careful review of the Agenda is encouraged. Testimony from the public will be solicited for any item or issue listed under the category of Public Hearings. Any individual who wishes to address the Council on any other subject should plan to speak when Item: Public Comments is identified by the Mayor. The Mayor and Council will not normally allow audience participation at any other time. Please, no repetitive or abusive comments. Workshops are for Council Members discussion only on a topic, no action or decisions occur at that time. No Public Comment is taken during Workshops. Assistance for persons with disabilities will be provided upon 24-hour notice prior to the meeting by calling the City Clerk at (208) 772-3698 ext 102.

City of Dalton Gardens
Council Regular Meeting Minutes
Monday, September 26, 2022 @ 6:00 PM

Meeting was conducted via teleconference and in person.

1. **CALL MEETING TO ORDER:** Mayor Edwards called to order at 6:00 PM
2. **ROLL CALL:** Councilmembers Scott Jordan, Tyler Drechsel, Robert Wuest and Mayor Dan Edwards were physically present. AO'Brien attended via zoom beginning at 6:01 PM. Also present: Teresa Janzen-City Clerk/Treasurer.
3. **PLEDGE OF ALLEGIANCE:** Lead by Dave Goodman
4. **APPROVAL OF CONSENT CALENDAR:**
 - a. Minutes from the Regular Meeting September 8, 2022
 - b. Monthly Financial Statement August 1-30,2022

TDrechsel made motion to approve the consent calendar items A and B, with requested amendment by RWuest for September 8, 2022 minutes to reflect a verbatim transcript of Sue Supp's Public Comment. SJordan seconded.

SJordan: yes TDrechsel: yes RWuest: yes AO'Brien: yes Motion carries.

5. **PUBLIC HEARING FOR AMENDED BUDGET FOR FY 2021-2022:**

Opened at 6:14 PM. Closed at 6:40 PM

Public Testimony: Opened at 6:15 PM/ Closed at 6:22 PM

- Sue Supp- 7024 N 16th Street- Understands challenges of shifting from modified accounting to accrual accounting. Modified accounting is common to bring transparency. Felt the Public Hearing Notice was unclear. Desires for Council workshops to include public comment so there is more resident engagement. Requests Council be fully engaged with the budget this fiscal year as it's unfair to put everything on the Treasurer. Feels there is a lot of waste (in the budget).
- Clark Young- 7064 N 16th Street- feels there is doubling in the budget. Parks, Streets & Roads are much higher than last year. Feels we are at a loss in the current Fiscal Year.
- Curt Jernigan- 7439 N Davenport Street- 7439 N Davenport Street- Disappointed the last Council approved taking the ARPA funds. Feels there are far reaching Federal ramifications and would like the funds to be returned to the Federal government.

Council Discussion included:

- SJordan- Roads are the biggest expense of the City. We have not taken out any additional funds. All costs have gone up dramatically. Anything dealing with plastic, oil, and gas. To save money, we joined with the City of Hayden for this year's road maintenance. Historically, he has been a conservative spender and has been able to return money to the general fund. To keep things economical, he makes sure the Engineer has approved road items. Soon we will be facing new asphalt instead of overlays for streets that are deteriorating. Does not feel the City

should focus on building new roads, like 18th Street, the focus should be on the existing roads being repaired. Have been working with the Engineer with road issues on 4th, Deerhaven, etc to identify needed repairs that were not made previously.

- RWuest- clarified that the prior Council had to roll over unused fund for street maintenance from FY21 for maintenance that was not able to be completed in the Fiscal Year and this allowed the extra funds to complete the needed maintenance for Fiscal Year 2022. Also clarified that the ordinance that is being proposed is a revision of the public hearing notice.
- AO'Brien- Since he has been in office, he has reduced Parks cost and landscape maintenance costs every year. He is saving for a larger parks project.
- Treasurer clarified that yes, the revision that is proposed with the Ordinance is lower than the public hearing publication as more fiscal year actuals have completed.
- TDrechsel clarified that ARPA funds have been fully received by the City. Asked to have the timeline clearly communicated.
- SJordan asked what other cities are doing with ARPA funds.
- Mayor asked if any citizens has anything in writing that there are strings attached to the ARPA funds expenditures, then please send them to him.
- RWuest- 18th Street is not only a road project but also a water main expansion to get rid of the dead-end.
- RWuest asked for the KCSO contract to be renegotiated for FY22. City of Hayden is getting deputies for \$90K per deputy including car, gas, includes everything. Mayor asked him to get a copy of the contract so KCSO will match it.

6. CONSIDERATION OF AMENDED APPROPRIATION ORDINANCE FOR FY22:

- **TDrechsel made a motion to suspend reading the Amended Annual Appropriation Ordinance for Fiscal Year 2022 on three different days and have the title of the proposed ordinance read once. SJordan seconded. AO'Brien: yes RWuest: yes SJordan: yes TDrechsel: yes Motion carries.**
- **City Clerk read the title of the proposed ordinance**
- **TDrechsel made a motion to adopt the Amended Annual Appropriation Ordinance for Fiscal Year 2022, direct the City Clerk to assign the appropriate number, and to publish once upon passage in the Coeur d'Alene Press. SJordan seconded. RWuest: yes AO'Brien: yes SJordan: yes TDrechsel: yes Motion carries.**

7. CONSIDERATION OF RESOLUTION 2022-05 TO DESIGNATE AND TRANSFER FUNDS FROM FY 2022 TO FY 2023:

Treasurer asked for the resolution to have an amendment for item 401-08 to be \$1,755 transferred for the Picnic.

- **SJordan made a motion to approve Resolution 2022-05 to designate and transfer the listed funds from FY 2022 to FY 2023. TDrechsel seconded. SJordan: yes RWuest: yes AO'Brien: yes TDrechsel: yes Motion carries.**

8. **CITY BUSINESS**

Discussion of Grant Application for Emergency Generator- TDrechsel updated council that we have missed deadline for the FEMA grant. Would like to see emergency back up generators for the City Hall and Shop in case of a city wide emergency to use the facilities for displaced residents. Council will look at other options.

9. **ADJOURNMENT:** SJordan made motion to adjourn. TDrechsel seconded. All in favor. Adjourned 06:48 PM

Dan Edwards, Mayor

ATTEST:

Teresa Janzen, City Clerk/ Treasurer

Ratified Bills List
09/01/2022 to 09/30/2022

Vendor	Amount	Note
Andrew Wilson	\$ 180.00	Permit Refund
American Legal Publishing	\$ 1,833.00	Codification Telecom Ordinance
American On-Site Services	\$ 239.24	Picnic porta potty and August Bill
Animal Party Rabbitry	\$ 200.00	Picnic bunnies
Aspen Homes	\$ 180.00	Permit Refund
Avista Utilities	\$ 284.24	Monthly Electric & Gas
Caribou Creek Farms	\$ 700.00	Picnic- Pony Rides and Bounce House
City of Hayden	\$ 428,676.00	FY22 Chip Seal
Coeur d'Alene Garbage Service	\$ 31.00	Garbage
Coeur d'Alene Press	\$ 476.80	Legal publications
		Street Supplies; Park Supplies; Zoom;
ICCU Credit Card	\$ 2,179.81	Picnic, Office Supplies
III-A	\$ 2,045.00	Health Insurance
Kootenai County Auditor	\$ 12,166.67	KCSO Deputy
Kooteani County Clerk	\$ 1,740.00	Prosecuting Atty FY 22
Kootenai County Fire & Rescue	\$ 3,158.00	August services
Kooteani County Repographics	\$ 247.53	Picnic postcard printing
Kootenai County Solid Waste Dept.	\$ 78.20	Garbage; wood waste, dead deer
Lucy Jernigan	\$ 462.71	Picnic Reimbursement
Lyons O'Dowd	\$ 4,620.00	City Attorney
On-Call Computer & Network Solutions	\$ 510.00	July to September IT work
		September 4180.19 + 4012.02 +170.38+
Payroll	\$ 8,532.97	170.38
Payroll Retirement	\$ 1,792.52	September
Payroll Taxes	\$ 1,953.11	September 1836.14 +68 +48.97 +
Pointe Pest Control	\$ 165.00	Quarterly pest spraying
Rebecca Supp	\$ 195.92	Picnic Reimbursement
Richelle Brown	\$ 100.00	FRR damage deposit balance refund
Sacco De Campos Landscape Maint. LL	\$ 4,535.52	Landscape Maintenance Services
Scotty's Smoke Shop Sausage LLC	\$ 636.00	Picnic sausages
Service Master Cleaning	\$ 245.00	City Hall cleaning
Spectrum	\$ 119.99	Internet
Stripe Rite	\$ 13,120.28	FY 22 Road Striping
Super One Foods	\$ 665.09	Picnic Food
Teresa Janzen	\$ 339.18	2 new pop up tents- Parks
The Sweep	\$ 240.00	Monthly Street Sweeping
	\$ 490,016.54	

To: Mayor Edwards, City of Dalton Gardens

From: HMH Engineering

Date: September 29, 2022

Re: Engineering Update

1. Child Pedestrian Safety Program Grant – We have put together the plans & specs for this project. The bids are due October 11, and the bid opening will be October 12, at 9 am at City Hall.
2. Colfax Crack Sealing – We had Arrow Construction come out and do a demo of their CRAFCO mastic on three of the large cracks on Colfax near the Wilbur intersection. The product seemed to work great, and we are in the process of getting an estimate to seal the rest of the severe cracks on Colfax.
3. Aqua Circle Drainage Issue – We have been working on generating a solution and cost estimate for fixing the seasonal flooding at the southern intersection of Aqua Circle and Government Way.
4. ROW Permits –
 - Open Permits: 10 permits
 - Expired: 1 permit
 - Failed final inspection & waiting for repair: 0 permits

September 23, 2022

To the Honorable Mayor and City Council
City of Dalton Gardens
6360 North Fourth Street
Dalton Gardens, ID 83815-9254

The following represents our understanding of the services we will provide the City of Dalton Gardens.

You have requested that we audit the governmental activities and each major fund of the City of Dalton Gardens as of September 30, 2022, and for the year then ended and the related notes, which collectively comprise the City of Dalton Gardens' basic financial statements as listed in the table of contents. We are pleased to confirm our acceptance and our understanding of this audit engagement by means of this letter.

The objectives of our audit are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. 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 auditing standards generally accepted in the United States of America (GAAS) and in accordance with 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 made by a reasonable user based on the financial statements.

Accounting principles generally accepted in the United States of America, (U.S. GAAP,) as promulgated by the Governmental Accounting Standards Board (GASB) require that the management's discussion and analysis and budgetary comparison information be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the GASB, 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 the required supplementary information (RSI) in accordance with auditing standards generally accepted in the United States of America, (U.S. GAAS). These limited procedures will consist primarily of inquiries of management regarding their methods of measurement and presentation, and comparing the information for consistency with management's responses to our inquiries. We will not express an opinion or provide any form of assurance on the RSI. The following RSI is required by U.S. GAAP. This RSI will be subjected to certain limited procedures but will not be audited:

1. Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget & Actual – General Fund.
2. Schedules of required supplementary information consistent with the requirements of GASB Statement No. 68.

Supplementary information other than RSI will accompany the City of Dalton Gardens' basic financial statements. We will subject the following supplementary information to the auditing procedures applied in our audit of the basic financial statements and perform certain additional procedures, including comparing and reconciling the supplementary information to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and additional procedures in accordance with U.S. GAAS. We intend to provide an opinion on the following supplementary information in relation to the basic financial statements as a whole:

1. Schedule of Expenditures – Budget and Actual: General Fund.

Auditor Responsibilities

We will conduct our audit in accordance with GAAS and in accordance with Government Auditing Standards. As part of an audit in accordance with GAAS and in accordance with Government Auditing Standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. 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, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. However, we will communicate to you in writing concerning any significant deficiencies or material weaknesses in internal control relevant to the audit of the financial statements that we have identified during the audit.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Conclude, based on the audit evidence obtained, whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City of Dalton Gardens' ability to continue as a going concern for a reasonable period of time.

Because of the inherent limitations of an audit, together with the inherent limitations of internal control, an unavoidable risk that some material misstatements may not be detected exists, even though the audit is properly planned and performed in accordance with GAAS and in accordance with Government Auditing Standards.

Our responsibility as auditors is limited to the period covered by our audit and does not extend to any other periods.

Compliance with Laws and Regulations

As previously discussed, as part of obtaining reasonable assurance about whether the basic financial statements are free of material misstatement, we will perform tests of the City of Dalton Gardens' compliance with the provisions of applicable laws, regulations, contracts, and agreements. However, the objective of our audit will not be to provide an opinion on overall compliance and we will not express such an opinion.

Management Responsibilities

Our audit will be conducted on the basis that the Honorable Mayor and City Council acknowledge and understand that they have responsibility:

- a. For the preparation and fair presentation of the basic financial statements in accordance with accounting principles generally accepted in the United States of America;
- b. For the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of basic financial statements that are free from material misstatement, whether due to error, fraudulent financial reporting, misappropriation of assets, or violations of laws, governmental regulations, grant agreements, or contractual agreements; and
- c. To provide us with:
 - i. Access to all information of which management is aware that is relevant to the preparation and fair presentation of the basic financial statements such as records, documentation, and other matters;
 - ii. Additional information that we may request from management for the purpose of the audit;
 - iii. Unrestricted access to persons within the entity from whom we determine it necessary to obtain audit evidence.
- d. For including the auditor's report in any document containing basic financial statements that indicates that such basic financial statements have been audited by us;
- e. For identifying and ensuring that the entity complies with the laws and regulations applicable to its activities;
- f. For adjusting the basic financial statements to correct material misstatements and confirming to us in the management representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the current year period(s) under audit are immaterial, both individually and in the aggregate, to the basic financial statements as a whole; and
- g. For acceptance of nonattest services, including identifying the proper party to oversee nonattest work;
- h. For maintaining adequate records, selecting and applying accounting principles, and safeguarding assets;
- i. For informing us of any known or suspected fraud affecting the entity involving management, employees with significant role in internal control and others where fraud could have a material effect on the financials; and
- j. For the accuracy and completeness of all information provided.

With regard to the supplementary information referred to above, you acknowledge and understand your responsibility: (a) for the preparation of the supplementary information in accordance with the applicable criteria; (b) to provide us with the appropriate written representations regarding supplementary information; (c) to include our report on the supplementary information in any document that contains the supplementary information and that indicates that we have reported on such supplementary information; and (d) to present the supplementary information with the audited basic financial statements, or if the supplementary information will not be presented with the audited basic financial statements, to make the audited basic financial statements readily available to the intended users of the supplementary information no later than the date of issuance by you of the supplementary information and our report thereon.

As part of our audit process, we will request from the Honorable Mayor and City Council, written confirmation concerning representations made to us in connection with the audit.

Nonattest Services

With respect to any nonattest services we perform, we will perform them in accordance with professional standards:

1. Draft City of Dalton Gardens' financial statements and related footnote disclosures; including the requirements of GASB 68.
2. Prepare and propose a journal entry for your review and approval to adjust the property tax receivable, deferred revenue and revenue accounts at year end.
3. Update and maintain, based on information provided by you, the depreciation schedules of the City of Dalton Gardens.

We will not assume management responsibilities on behalf of the City of Dalton Gardens. However, we will provide advice and recommendations to assist management of the City of Dalton Gardens in performing its responsibilities.

The City of Dalton Gardens' management is responsible for (a) making all management decisions and performing all management functions; (b) assigning a competent individual to oversee the services; (c) evaluating the adequacy of the services performed; (d) evaluating and accepting responsibility for the results of the services performed; and (e) establishing and maintaining internal controls, including monitoring ongoing activities.

Our responsibilities and limitations of the nonattest services are as follows:

- We will perform the services in accordance with applicable professional standards, including the Statements on Standards for Tax Services issued by the AICPA.
- The nonattest services are limited to the nonattest services previously outlined. Our firm, in its sole professional judgment, reserves the right to refuse to do any procedure or take any action that could be construed as making management decisions or assuming management responsibilities, including determining account coding and approving journal entries. Our firm will advise the City of Dalton Gardens with regard to tax positions taken in the preparation of the tax return, but the City of Dalton Gardens must make all decisions with regard to those matters.

Reporting

We will issue a written report upon completion of our audit of the City of Dalton Gardens' basic financial statements. Our report will be addressed to the Honorable Mayor and the City Council of the City of Dalton Gardens. 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 an emphasis-of-matter or other-matter paragraph(s) to our auditor's report, or if necessary, withdraw from the engagement. If our opinions on the basic financial statements 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 to issue a report as a result of this engagement.

We will also issue a written report in accordance with the requirements of Government Auditing Standards describing the scope of our testing over internal control over financial reporting and over compliance with laws, regulations, and provisions of grants and contracts, including the results of that testing. However, providing an opinion on internal control and compliance will not be an objective of the audit and, therefore, no such opinion will be expressed.

Other

We understand that your employees will prepare all confirmations we request and will locate any documents or support for any other transactions we select for testing.

If you intend to publish or otherwise reproduce the basic financial statements and make reference to our firm, you agree to provide us with printers' proofs or masters for our review and approval before printing. You also agree to provide us with a copy of the final reproduced material for our approval before it is distributed.

Regarding the electronic dissemination of audited financial statements, including financial statements published electronically on your Internet website, you understand that electronic sites are a means to distribute information and, therefore, we are not required to read the information contained in these sites or to consider the consistency of other information in the electronic site with the original document.

Professional standards prohibit us from being the sole host and/or the sole storage for your financial and non-financial data. As such, it is your responsibility to maintain your original data and records and we cannot be responsible to maintain such original information. By signing this engagement letter, you affirm that you have all the data and records required to make your books and records complete.

Provisions of Engagement Administration, Timing and Fees

During the course of the engagement, we may communicate with you or your personnel via fax or email, and you should be aware that communication in those mediums contains a risk of misdirected or intercepted communications.

We expect to begin our audit the week of November 28, 2022, and to issue our reports as soon reasonably possible after the fieldwork has been completed.

Michelle Schini Haneline is the engagement partner for the audit services specified in this letter. Her responsibilities include supervising Magnuson, McHugh & Company, P.A.'s services performed as part of this engagement and signing or authorizing another qualified firm representative to sign the audit report.

Our fees are based on the amount of time required at various levels of responsibility, plus actual out-of-pocket expenses. Invoices will be rendered every month and are payable upon presentation. We estimate that our fee for the audit will be \$12,000. We will notify you immediately of any circumstances we encounter that could significantly affect this initial fee estimate. Whenever possible, we will attempt to use the City of Dalton Gardens' personnel to assist in the preparation of schedules and analyses of accounts. This effort could substantially reduce our time requirements and facilitate the timely conclusion of the audit. Further, we will be available during the year to consult with you on financial management and accounting matters of a routine nature.

The City of Dalton Gardens acknowledges that the following circumstances will result in an increase of our fees and the possibility that deadlines will not be met, and fieldwork may be rescheduled:

- Failure to prepare for the audit as evidenced by accounts and records that have not been subject to normal year-end closing and reconciliation procedures;
- Failure to complete the audit preparation work by the applicable due dates;
- Significant unanticipated transactions, audit issues, or other such circumstances;
- Delays causing scheduling changes or disruption of fieldwork;
- After audit or post fieldwork circumstances requiring revisions to work previously completed or delayed in resolution of issues that extend the period of time necessary to complete the audit;

- Issues with the prior audit firm, prior year account balances or report disclosures that impact the current year engagement; and
- An excessive number of audit adjustments.

We will endeavor to advise you in the event these circumstances occur, however we may be unable to determine the impact on the estimated fee until the conclusion of the audit. We will bill any additional amounts based on the experience of the individuals involved and the amount of work performed.

We may retain a subcontractor which will access and process information using outside resources to assist us in providing the services to you. The subcontractor will be required to maintain the confidentiality of your information, and we will be responsible for the subcontractor's performance in accordance with the terms of this agreement.

During the course of the audit we may observe opportunities for economy in, or improved controls over, your operations. We will bring such matters to the attention of the appropriate level of management, either orally or in writing.

You agree to inform us of facts that may affect the basic financial statements of which you may become aware during the period from the date of the auditor's report to the date the financial statements are issued.

It is our policy to keep records related to this engagement for five years. However, Magnuson, McHugh & Company, P.A. does not keep any original client records, so we will return those to you at the completing of the services rendered under this engagement. When records are returned to you, it is your responsibility to retain and protect your records for possible future use, including potential examination by any government or regulatory agencies.

By your signature below, you acknowledge and agree that upon the expiration of the five-year period, Magnuson, McHugh & Company, P.A. shall be free to destroy our records related to this engagement.

At the conclusion of our audit engagement, we will communicate to the Honorable Mayor and City Council the following significant findings from the audit:

- Our view about the qualitative aspects of the entity's significant accounting practices;
- Significant difficulties, if any, encountered during the audit;
- Uncorrected misstatements, other than those we believe are trivial, if any;
- Disagreements with management, if any;
- Other findings or issues, if any, arising from the audit that are, in our professional judgment, significant and relevant to those charged with governance regarding their oversight of the financial reporting process;
- Material, corrected misstatements that were brought to the attention of management as a result of our audit procedures;
- Representations we requested from management;
- Management's consultations with other accountants, if any; and
- Significant issues, if any, arising from the audit that were discussed, or the subject of correspondence, with management.

The audit documentation for this engagement is the property of Magnuson, McHugh & Company, P.A. and constitutes confidential information. However, we may be requested to make certain audit documentation available to the regulator pursuant to authority given to it by law or regulation, or to peer reviewers. If requested, access to such audit documentation will be provided under the supervision of Magnuson, McHugh & Company, P.A.'s personnel. Furthermore, upon request, we may provide copies of selected audit documentation to the regulator. The regulator may intend, or decide, to distribute the copies of information contained therein to others, including other governmental agencies.

In accordance with the requirements of *Government Auditing Standards*, we have attached a copy of our latest external peer review report of our firm for your consideration and files.

Please sign and return the attached copy of this letter to indicate your acknowledgment of, and agreement with, the arrangements for our audit of the basic financial statements including our respective responsibilities.

We appreciate the opportunity to be your financial statement auditors and look forward to working with you and your staff.

Sincerely,



Magnuson, McHugh & Company, P.A.

RESPONSE:

This letter correctly sets forth our understanding.

City of Dalton Gardens

Acknowledged and agreed on behalf of the City of Dalton Gardens by:

Signature: _____

Title: _____

Date: _____

Poulsen VanLeuven & Catmull PA
Certified Public Accountants

Members of the American Institute of CPA's
and the Idaho Society of CPA's
Jeffrey D. Poulsen, CPA
Darren B. VanLeuven, CPA
Jacob H. Catmull, CPA

Report on the Firm's System of Quality Control

October 30, 2019

To the Owners of
Magnuson, McHugh & Company PA
and the Peer Review Committee of the Nevada Society of CPAs

We have reviewed the system of quality control for the accounting and auditing practice of Magnuson, McHugh & Company PA (the firm) in effect for the year ended July 31, 2019. Our peer review was conducted in accordance with the Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants (Standards).

A summary of the nature, objectives, scope, limitations of, and the procedures performed in a System Review as described in the Standards may be found at www.aicpa.org/prsummary. The summary also includes an explanation of how engagements identified as not performed or reported in conformity with applicable professional standards, if any, are evaluated by a peer reviewer to determine a peer review rating.

Firm's Responsibility

The firm is responsible for designing a system of quality control and complying with it to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. The firm is also responsible for evaluating actions to promptly remediate engagements deemed as not performed or reported in conformity with professional standards, when appropriate, and for remediating weaknesses in its system of quality control, if any.

Peer Reviewer's Responsibility

Our responsibility is to express an opinion on the design of the system of quality control and the firm's compliance therewith based on our review.

Required Selections and Considerations

Engagements selected for review included engagements performed under *Government Auditing Standards*, including compliance audits under the Single Audit Act, and an audit of an employee benefit plan.

As a part of our peer review, we considered reviews by regulatory entities as communicated by the firm, if applicable, in determining the nature and extent of our procedures.

Opinion

In our opinion, the system of quality control for the accounting and auditing practice of Magnuson, McHugh & Company PA in effect for the year ended July 31, 2019, has been suitably designed and complied with to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Firms can receive a rating of *pass*, *pass with deficiency(ies)* or *fail*. Magnuson, McHugh & Company PA has received a peer review rating of *pass*.

Poulsen, VanLeuven & Catmull
Poulsen, VanLeuven & Catmull P.A.

ANDERSONBROS.CPA

1810 E Schneidmiller Ave. Ste. 310
Post Falls, Idaho 83854
208-777-1099

CONSULTING ENGAGEMENT LETTER

September 16, 2022

City of Dalton Gardens
Honorable Mayor, City Council, and Management
Dalton Gardens, ID 83815

Dear Honorable Mayor, Council, and Management:

Anderson Bros CPAs are pleased to provide the City of Dalton Gardens with the professional services described below.

Engagement Objectives and Scope

As needed, Anderson Bros. CPAs agrees to perform the following: —

Provide consulting services related to the City's financial accounting records, propose adjusting or correcting journal entries to be reviewed and approved by the City of Dalton Gardens.

Anderson Bros CPAs will not assume management responsibilities on behalf of the City. However, we will provide advice and recommendations to assist management of the City in performing its financial accounting responsibilities.

It is our understanding that a member of your management, who possesses requisite skill, knowledge or experience, will oversee the services and conduct of this project, as identified in the *Client Responsibilities* section of this engagement letter.

CPA Firm Responsibilities

We will perform our services in accordance with the *Statement on Standards for Consulting Services* issued by the American Institute of Certified Public Accountants ("AICPA"). Such services do not constitute an audit, review, or any other attestation service as those services are defined in AICPA literature applicable to such engagements. Accordingly, these services will not result in the issuance of a written communication to third parties by Anderson Bros CPAs regarding financial data or internal controls, expressing an opinion or conclusion or obtaining or providing any form of assurance.

This engagement is limited to assisting the City with the bookkeeping services previously outlined. Anderson Bros CPAs, in its sole professional judgment, reserves the right to refuse to do any procedure or take any action that could be construed as making management decisions or assuming management responsibilities, including determining account coding's and approving journal entries.

Our engagement does not include any procedures designed to detect errors, fraud, or theft. Therefore, our engagement cannot be relied upon to disclose such matters. In addition, we are not responsible for identifying or communicating deficiencies in your internal controls. You are responsible for developing and implementing internal controls applicable to your operations.

Engagement Deliverables

You understand and agree that our services include recommendations, which are based on our knowledge, training and experience. However, at all times, any decisions in connection with the adjustments we recommend are solely yours as is the responsibility for the financial records and management of the City. We encourage you to reflect upon our recommendations and decide what you believe is best for the City.

Client Responsibilities

The City of Dalton Garden’s responsibilities are as follows:

- As well as assume all management responsibilities, including determining account coding and approving all proposed journal entries.
- Assign an employee to oversee the bookkeeping services and evaluate the adequacy and results of the services.
- Accept responsibility for the results of the bookkeeping services, including the journal entries, general ledger, and trial balance.

Timing of the Engagement

We expect to begin our services upon receipt of this executed Agreement and at times throughout the year in which the City requests our assistance.

Professional Fees

Our professional fee for the services will be based on an hourly rate not to exceed \$185 per hour. You will also be billed for travel and other out-of-pocket costs such as report production, word processing, postage, etc. Our invoices for these fees will be rendered monthly as work progresses and are payable on presentation. In accordance with our firm policies, work may be suspended if your account becomes 60 days or more overdue and will not be resumed until your account is paid in full. If we elect to terminate our services for nonpayment, you will be obligated to compensate us for all time expended and to reimburse us for all out-of-pocket expenditures through the date of termination.

In addition, this fee is dependent upon the timely delivery, availability, quality, and completeness of the information you provide to us. You agree that you will deliver all records requested and respond to all inquiries made by our staff to complete this engagement on a timely basis.

We appreciate the opportunity to be of service to you and believe that 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 enclosed copy to confirm your understanding, and return it to us.

Sincerely,

Christina Laurie, CPA
Managing Member

RESPONSE:

This letter correctly sets forth the understanding of the City of Dalton Gardens, Idaho.

Signature: _____

Title: _____ Date: _____

ANDERSONBROS.CPA

1810 E Schneidmiller Ave. Ste. 310
Post Falls, Idaho 83854
208-777-1099

CONSULTING ENGAGEMENT LETTER

September 16, 2022

City of Dalton Gardens
Honorable Mayor, City Council, and Management
Dalton Gardens, ID 83815

Dear Honorable Mayor, Council, and Management:

Anderson Bros CPAs are pleased to provide the City of Dalton Gardens with the professional services described below.

Engagement Objectives and Scope

After the end of the fiscal year, Anderson Bros. CPAs agrees to perform the following: —

Propose adjusting or correcting journal entries to be reviewed and approved by the City of Dalton Gardens to aide in preparation for the City's annual audit.

Anderson Bros CPAs will not assume management responsibilities on behalf of the City. However, we will provide advice and recommendations to assist management of the City in performing its responsibilities. The objectives of this engagement is to assist you in adjusting your general ledger accounts in preparation for your annual audits.

It is our understanding that a member of your management, who possesses requisite skill, knowledge or experience, will oversee the services and conduct of this project, as identified in the *Client Responsibilities* section of this engagement letter.

CPA Firm Responsibilities

We will perform our services in accordance with the *Statement on Standards for Consulting Services* issued by the American Institute of Certified Public Accountants ("AICPA"). Such services do not constitute an audit, review, or any other attestation service as those services are defined in AICPA literature applicable to such engagements. Accordingly, these services will not result in the issuance of a written communication to third parties by Anderson Bros CPAs regarding financial data or internal controls, expressing an opinion or conclusion or obtaining or providing any form of assurance.

This engagement is limited to assisting the City with the bookkeeping services previously outlined. Anderson Bros CPAs, in its sole professional judgment, reserves the right to refuse to do any procedure or take any action that could be construed as making management decisions or assuming management responsibilities, including determining account coding's and approving journal entries.

Our engagement does not include any procedures designed to detect errors, fraud, or theft. Therefore, our engagement cannot be relied upon to disclose such matters. In addition, we are not responsible for identifying or communicating deficiencies in your internal controls. You are responsible for developing and implementing internal controls applicable to your operations.

Engagement Deliverables

You understand and agree that our services include recommendations, which are based on our knowledge, training and experience. However, at all times, any decisions in connection with the adjustments we recommend are solely yours as is the responsibility for the financial records and management of the City. We encourage you to reflect upon our recommendations and decide what you believe is best for the City.

Client Responsibilities

The City of Dalton Garden’s responsibilities are as follows:

- Assume all management responsibilities, including determining account coding and approving all proposed journal entries in preparation for your annual audit.
- Assign an employee to oversee the bookkeeping services and evaluate the adequacy and results of the services.
- Accept responsibility for the results of the bookkeeping services, including the journal entries, general ledger, and trial balance.

Timing of the Engagement

We expect to begin our services after receipt of this executed Agreement and once the City’s fiscal year as ended, and at a time mutually determined by you and Anderson Bros CPAs.

Professional Fees

Our professional fee for the services will be based on an hourly rate not to exceed \$185 per hour. You will also be billed for travel and other out-of-pocket costs such as report production, word processing, postage, etc. Our invoices for these fees will be rendered monthly as work progresses and are payable on presentation. In accordance with our firm policies, work may be suspended if your account becomes 60 days or more overdue and will not be resumed until your account is paid in full. If we elect to terminate our services for nonpayment, you will be obligated to compensate us for all time expended and to reimburse us for all out-of-pocket expenditures through the date of termination.

In addition, this fee is dependent upon the timely delivery, availability, quality, and completeness of the information you provide to us. You agree that you will deliver all records requested and respond to all inquiries made by our staff to complete this engagement on a timely basis.

We appreciate the opportunity to be of service to you and believe that 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 enclosed copy to confirm your understanding, and return it to us.

Sincerely,

Christina Laurie, CPA
Managing Member

RESPONSE:

This letter correctly sets forth the understanding of the City of Dalton Gardens, Idaho.

Signature: _____

Title: _____ Date: _____

Kootenai County Public Transportation

PUBLIC TRANSPORTATION LETTER OF AGREEMENT

THIS AGREEMENT is entered into between the County of Kootenai, hereinafter "COUNTY" and the City of Dalton Gardens, hereinafter "CITY", and shall be effective on 1 October 2022 after all parties have affixed their signatures to this Agreement.

WHEREAS, the Urbanized Area Formula Funding program (49 U.S.C. 5307) makes federal resources available to Kootenai County;

WHEREAS, federal funds under a Federal Transit Administration (FTA) grant are available to provide public transportation services; and

WHEREAS, the COUNTY is a direct recipient of Federal Transit Administration (FTA) 5307 funds; and

WHEREAS, having access to public transportation is a benefit to the citizens within the Urbanized Area; and

WHEREAS, municipalities within the urbanized area are authorized to participate in the funding of public transportation;

NOW THEREFORE, It is agreed as follows:

1. The COUNTY is the legal authority to receive and dispense federal funds for planning, engineering, design and evaluation of transit projects and other technical transportation-related studies; capital investments in bus and bus-related activities such as replacement, overhaul and rebuilding of buses, crime prevention and security equipment and construction of maintenance and passenger facilities; and capital investments in rolling stock, overhaul and rebuilding of vehicles, communications, and computer hardware and software. In addition, the COUNTY may receive and dispense federal funds for associated transit improvements, certain expenses associated with mobility management programs, all preventive maintenance, and some Americans with Disabilities Act complementary paratransit service costs.
2. The CITY agrees to provide funding in the amount of \$3,051 (Three Thousand Fifty One Dollars) as part of the match that is required for USDOT/FTA grants for the fiscal year beginning on 1 October 2022 and ending on 30 September 2023. The CITY further agrees to provide one-half of said funding on or before the 28th day of February 2023, with the balance due no later than the 31st day of July 2023.

Kootenai County Public Transportation

IN WITNESS WHEREOF, the parties hereto have affixed the signature of their duly authorized official.

Leslie Duncan, Pro tem - Signed 9/21/2022
Kootenai County Commissioners

Date

ATTEST:

Teri Johnston, Deputy Clerk - Signed 9/21/2022
Jim Braimah, County Clerk



Dan Edwards, Mayor
City of Dalton Gardens, Idaho

Date

ATTEST:

Teresa Janzen, City Clerk

AGREEMENT TO PROVIDE SUPPLEMENTAL LAW ENFORCEMENT SERVICES

THIS AGREEMENT, made effective the ____ day of _____, 2022, between Robert Norris, Kootenai County Sheriff (hereinafter referred to as the “SHERIFF”) and Kootenai County, a political subdivision of the State of Idaho, P.O. Box 9000, Coeur d’Alene, Idaho 83816-9000 (hereinafter collectively referred to as the “COUNTY”), and the City of Dalton Gardens, a municipal corporation organized under the laws of the State of Idaho, 6360 N. 4th Street, Dalton Gardens, Idaho 83815 (hereinafter referred to as the “CITY”).

WHEREAS, the CITY desires to enter into a contract with COUNTY for the performance of Supplemental law enforcement services, within the corporate limits of said CITY, over and above the law enforcement services which the County already provides; and,

WHEREAS, the COUNTY agrees to render such Supplemental law enforcement services by the CITY under the terms and conditions set forth herein; and,

WHEREAS, this Agreement is authorized and provided for by the provisions of Sections 31-604, 50-301, and 67-2332 of the Idaho Code.

NOW, THEREFORE, the parties hereto agree as follows:

1. TERMINATION OF PRIOR CONTRACTS. The COUNTY and CITY agree that all prior agreements to provide law enforcement services are superseded by this Agreement. All vehicles, equipment and other personal property purchased pursuant to the terms of prior agreements shall be deemed the property of the COUNTY.

2. LAW ENFORCEMENT SERVICES. The COUNTY presently provides minimum law enforcement services within the corporate limits of the CITY (hereinafter the “protected area”),, twenty-four (24) hours each day, including but not limited to motor patrols during daytime and nighttime hours and will continue to do so notwithstanding any other provision of this Agreement or cancellation of the same.

3. SUPPLEMENTAL AND ADDITIONAL LAW ENFORCEMENT SERVICES. The COUNTY agrees to employ, furnish, and supply all necessary personnel together with their equipment, supplies, and supervision, vehicles and equipment with maintenance, jail and communication facilities, records and record keeping, and such other items as are reasonably necessary to provide Supplemental law enforcement services within the corporate limits of the CITY under the following terms and conditions:

a. The COUNTY shall assign a full-time deputy sheriff to provide such Supplemental law enforcement services within the corporate limits of the CITY consisting of 2,080 working hours per year.

- The CITY Mayor will select the deputy from the individuals who have submitted a memorandum of interest.

- The assigned deputy is to meet the expectations of the City Mayor who will generally assign work hours/days and specific duties (to include but not limited to: patrol, code enforcement, neighbor watch, etc.), subject to change at the sole discretion of the SHERIFF.

b. In the event the CITY believes it will need Additional law enforcement services, above the Supplemental law enforcement services, the CITY shall notify the COUNTY of its need for such Additional services, and the COUNTY will provide, at the sole discretion of the SHERIFF, the Additional law enforcement services.

c. Notwithstanding any provision in this Agreement, the parties understand and agree that the Sheriff may, in his sole discretion, divert assigned personnel and equipment to other locations within the County on occasion as service demands require for specific incidents.

d. The Kootenai County Sheriff's Office, located at 5500 N. Government Way, Coeur d'Alene, Idaho 83815, will be used as an operations base for all law enforcement services contemplated hereby.

e. The personnel used by the COUNTY to provide the law enforcement services shall remain under the jurisdiction and control of the COUNTY while these services are being rendered. The COUNTY shall be responsible for setting and maintaining the standard of performance of such personnel.

f. Any arrests made within the protected area, and citations issued for misdemeanors or infractions that occur within the protected area during the timeframe for which the COUNTY is providing the law enforcement shall be deemed CITY arrests and citations for the purpose of prosecution and distribution of penalties, fines and forfeitures.

g. When specifically working traffic enforcement details within the CITY the COUNTY'S focus will be speeding vehicles, commercial traffic using restricted roadways in the CITY and/or other needs as requested by the CITY.

4. EMPLOYEES OF COUNTY. It is agreed that law enforcement personnel shall remain employees of the COUNTY for all purposes, including the payment of wages and benefits and the coverage of insurance, including worker's compensation. It is agreed that the CITY shall not be liable for compensation or indemnity to any of the employees of the COUNTY for injuries or sickness arising out of the performance of COUNTY protection of the protected area, and the COUNTY hereby agrees to indemnify and hold harmless CITY from any liability for such a claim.

5. GENERAL LIABILITY. To the extent allowed by Idaho law, including Article VIII § 4 of the Idaho Constitution and the Idaho Tort Claims Act (Idaho Code § 6-901, *et seq.*), the CITY and the COUNTY agree to hold one another harmless and indemnify the other from any and all liability, loss, damage or claims that either may suffer arising out of or in connection with the

actions of the other's employees rendered pursuant to this Agreement. It is mutually recognized that the COUNTY is responsible for performance of the law enforcement services addressed hereby. Both parties agree to cooperate with the other to the greatest extent possible in the defense of any claim brought against either party.

6. INSURANCE. Both the COUNTY and the CITY agree to obtain and keep in force during their performance under this Agreement a comprehensive general liability insurance policy in an amount sufficient to comply with the liability limits established by the Idaho Tort Claims Act, and for all other claims a minimum of \$1,000,000.00. Such policies shall name and protect each respective entity, all employees, officers, agents and employees, from and against claims, losses, actions, and judgments for damages or injury to persons or property arising out of or in connection with the CITY'S or the COUNTY'S acts pursuant to this Agreement. Each party shall provide proof of liability coverage as set forth above to the other prior to commencing the performance as herein provided. Both parties shall be independently responsible for their actions consistent with the principles embodied in the Idaho Tort Claims Act.

7. ADMINISTRATION. Each of the parties has designated an officer or employee to be its administrator of this Agreement for the purpose of coordinating the efforts of CITY and COUNTY employees in requesting and performing the additional law enforcement services. The CITY designates the elected Mayor, or his/her designee, as its administrator. The COUNTY designates the SHERIFF, or his designee, as its administrator. All communications between the parties with regard to this Agreement and the providing of COUNTY protection shall be made between these parties or their respective designees. Each party agrees to provide full cooperation and assistance to the other, so as to facilitate the performance of this Agreement.

8. COMPENSATION. As compensation for the assignment of the additional full time deputy sheriff to provide Supplemental law enforcement services, the CITY shall pay the COUNTY the sum of \$125,000.00 annually.

If requested by the City, as compensation for Additional law enforcement services provided by COUNTY, the CITY hereby agrees to pay to the COUNTY a sum equivalent to the then-current overtime rate per hour of the deputy providing such Additional services, plus benefits. The total Additional services provided by the COUNTY and the compensation paid by the CITY shall not exceed Twelve Thousand Dollars (\$12,000.00) during the term of this Agreement, unless otherwise agreed upon by the parties, in writing.

The COUNTY will provide the CITY with a monthly invoice for all Supplemental and Additional law enforcement services rendered, which shall include the hours spent on such services. Invoices shall be payable within thirty (30) days from the date of the invoice. The amount of compensation for County services may be modified or amended only by an agreement in writing. The compensation shall be tracked through the COUNTY'S budgetary process.

9. TERM OF AGREEMENT. This Agreement shall be effective commencing on the October 1, 2022, and continue in full force and effect through the 30th day of September, 2023. The term of this Agreement may be extended by the parties by agreement in writing. Either party may terminate this Agreement, with or without cause, by providing thirty (30) days written notice.

10. GENERAL PROVISIONS. This Agreement represents the entire agreement of the parties hereto, and all other contracts, oral agreements or any other memoranda between the CITY and COUNTY regarding law enforcement activities are not affected hereby. This Agreement may be modified only by a writing executed in the same form and manner as this Agreement has been executed. The terms and conditions of this Agreement shall be governed by the laws of the State of Idaho. Jurisdiction and venue for any legal action arising from the terms of this contract shall be in the District Court in Kootenai County, Idaho.

11. RECITALS. The above and foregoing recitals shall be considered a part of this Agreement for all purposes and interpretations.

IN WITNESS WHEREOF, the parties have approved this Agreement by their respective governing bodies on the dates set forth below, and this Agreement has been signed and attested by the authorized officials of each party.

DATED this _____ day of _____ 2022.

CITY OF DALTON GARDENS

ATTEST:

By: _____
Dan Edwards, Mayor

By: _____
Teresa Janzen, City Clerk

DATED this _____ day of _____ 2022.

**KOOTENAI COUNTY
BOARD OF COMMISSIONERS**

**ATTEST:
JIM BRANNON, CLERK**

By: _____
Chris Fillios, Chairman

By: _____
Deputy Clerk

By: _____
Bill Brooks, Commissioner

By: _____
Leslie Duncan, Commissioner

DATED this _____ day of _____ 2022.

KOOTENAI COUNTY SHERIFF

By: _____
Robert Norris, Sheriff