



Information to Comply with Government Auditing Standards  
and OMB Circular A-133, Audits of States, Local  
Governments, and Non-Profit Organizations  
June 30, 2013

## County of Linn, Iowa

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**Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards***

To the Officials of the County of Linn, Iowa:

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the County of Linn, Iowa, as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated December 6, 2013.

**Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the County's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, we do not express an opinion on the effectiveness of the County's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying schedule of findings and questioned costs, we identified a certain deficiency in internal control that we consider to be a material weakness.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiency described in Part II of the accompanying schedule of findings and questioned costs as item 2013-A to be a material weakness.

A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the County's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Comments involving statutory and other legal matters about the County's operations for the year ended June 30, 2013 are based exclusively on knowledge obtained from procedures performed during our audit of the financial statements of the County and are reported in Part IV of the accompanying schedule of findings and questioned costs. Since our audit was based on tests and samples, not all transactions that might have had an impact on the comments were necessarily audited. The comments involving statutory and other legal matters are not intended to constitute legal interpretations of those statutes.

### **County's Response to Findings**

The County's response to the finding identified in our audit is described in the accompanying schedule of findings and questioned costs. The County's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the County's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Dubuque, Iowa  
December 6, 2013



**Independent Auditor’s Report on Compliance for Each Major Federal Program; Report on Internal Control over Compliance; and Report on the Schedule of Expenditures of Federal Awards Required by OMB Circular A-133**

To the Officials of the County of Linn, Iowa:

**Report on Compliance for Each Major Federal Program**

We have audited the County of Linn, Iowa’s (County) compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the County’s major federal programs for the year ended June 30, 2013. The County’s major federal programs are identified in the summary of auditor’s results section of the accompanying schedule of findings and questioned costs.

**Management’s Responsibility**

Management is responsible for compliance with the requirements of laws, regulations, contracts and grants applicable to its federal programs.

**Auditor’s Responsibility**

Our responsibility is to express an opinion on the compliance for each of the County’s major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the County’s compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the County’s compliance.

**Opinion on Each Major Federal Program**

In our opinion, the County of Linn, Iowa, complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major Federal programs for the year ended June 30, 2013.

### **Report on Internal Control over Compliance**

Management of the County is responsible for establishing and maintaining effective internal control over compliance with the compliance requirements referred to above. In planning and performing our audit of compliance, we considered the County's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over compliance.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a compliance requirement will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

### **Report on the Schedule of Expenditures of Federal Awards Required by OMB Circular A-133**

We have audited the financial statements of the County of Linn, Iowa, as of and for the year ended June 30, 2013, and have issued our report thereon dated December 6, 2013, which contained an unmodified opinion on those financial statements. Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the 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 auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the financial statements as a whole.



Dubuque, Iowa  
February 4, 2014

County of Linn, Iowa  
Schedule of Expenditures of Federal Awards  
Year Ended June 30, 2013

Grantor/Program	Federal CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures
U.S. Department of Agriculture:			
Food and Nutrition Service Cluster			
Pass-Through Program From:			
Iowa Department of Education:			
School Breakfast Program	10.553	57-8022	\$ 9,759
National School Lunch Program	10.555	57-8022	15,192
Total Food and Nutrition Service Cluster			<u>24,951</u>
Iowa Department of Education:			
Child and Adult Care Food Program	10.558	57-8012	47,248
Summer Food Service Program for Children	10.559	063212	700
Summer Food Service Program for Children	10.559	054513	100
			<u>800</u>
Pass-Through Program From:			
Iowa Department of Human Services:			
Human Services Administrative			
Reimbursement:			
State Administrative Matching			
Grants for the Supplemental			
Nutrition Assistance Program	10.561		115,833
Total U.S. Department of Agriculture			<u>188,832</u>
U.S. Department of Housing and Urban Development:			
Pass-Through Program From:			
Iowa Department of Economic Development:			
Community Development Block Grants/ State's Program and Non-Entitlement Grants in Hawaii	14.228	08-DRH-005	1,265,796
Community Development Block Grants/ State's Program and Non-Entitlement Grants in Hawaii	14.228	08-DRH-205	612,854
Community Development Block Grants/ State's Program and Non-Entitlement Grants in Hawaii	14.228	08-DRB-210	179,809
Community Development Block Grants/ State's Program and Non-Entitlement Grants in Hawaii	14.228	08-DRPG-233	38,490
			<u>2,096,949</u>

County of Linn, Iowa  
Schedule of Expenditures of Federal Awards  
Year Ended June 30, 2013

Grantor/Program	Federal CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures
U.S. Department of Justice:			
Direct Program:			
Supervised Visitation, Safe Havens for Children	16.527		\$ 33,828
Pass-Through Program From:			
Iowa Department of Human Rights: Juvenile Justice and Delinquency Prevention - Allocation to States	16.540	06-JD09-10F	39,662
Direct Program:			
Public Safety Partnership and Community Policing Grants	16.710		145,000
Pass-Through Program From:			
Governor's Office of Drug Control Policy: Public Safety Partnership and Community Policing Grants	16.710	10-Hotspots	9,920
			<u>154,920</u>
Iowa Department of Human Rights: Enforcing Underage Drinking Laws Program	16.727	JJYD-F11-12	797
JAG Cluster			
Pass-Through Program From:			
Governor's Office of Drug Control Policy: Edward Byrne Memorial Justice Assistance Grant Program	16.738	10JAG42798	37,618
Direct Program:			
Edward Byrne Memorial Justice Assistance Grant	16.738		31,766
Edward Byrne Memorial Justice Assistance Grant	16.738		27,311
Edward Byrne Memorial Justice Assistance Grant	16.738		20,033
			<u>116,728</u>
ARRA - Recovery Act - Edward Byrne Memorial Justice Assistance Grant (JAG) Program / Grants To Units Of Local Government	16.804		125,804
Total JAG Cluster			<u>242,532</u>
Total U.S. Department of Justice			<u>471,739</u>



County of Linn, Iowa  
Schedule of Expenditures of Federal Awards  
Year Ended June 30, 2013

Grantor/Program	Federal CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures
U.S. Department of Transportation:			
Pass-Through Program From:			
Trees Forever:			
Highway Planning and Construction	20.205	57-01-12	\$ 19,367
Highway Planning and Construction	20.205	57-01-10	10,351
Highway Planning and Construction	20.205	57-01-11	10,057
Highway Planning and Construction	20.205	57-03-10	2,472
Iowa Department of Transportation:			
ARRA - Highway Planning and Construction	20.205	10-STPES-105	712,221
ARRA - Highway Planning and Construction	20.205	08-STPE-122	102,307
Highway Planning and Construction	20.205	10-STPES-106	38,262
			<u>895,037</u>
East Central Iowa Council of Governments:			
Formula Grants for Rural Areas	20.509		<u>104,454</u>
Governor's Traffic Safety Bureau:			
Alcohol Impaired Driving Countermeasures			
Incentive Grants I	20.601	13-410 Task 35	36,734
Alcohol Impaired Driving Countermeasures			
Incentive Grants I	20.601	12-410 Task 47	7,233
			<u>43,967</u>
Total U.S. Department of Transportation			<u>1,043,458</u>
U.S. Institute of Museum and Library Services:			
Direct Program:			
Museums for America	45.301		<u>59,636</u>

County of Linn, Iowa  
Schedule of Expenditures of Federal Awards  
Year Ended June 30, 2013

Grantor/Program	Federal CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures
U.S. Environmental Protection Agency:			
Pass-Through Program From:			
Iowa Department of Public Health			
State Indoor Radon Grants	66.032	MOU-2013-RC06	\$ 1,953
Direct Program:			
Surveys, Studies, Research, Investigations, Demonstrations, and Special Purpose Activities Relating to the Clean Air Act	66.034		60,633
Surveys, Studies, Research, Investigations, Demonstrations, and Special Purpose Activities Relating to the Clean Air Act	66.034		14,983
Surveys, Studies, Research, Investigations, Demonstrations, and Special Purpose Activities Relating to the Clean Air Act	66.034		14,572
Pass-Through Program From:			
Iowa Department of Natural Resources:			
Surveys, Studies, Research, Investigations, Demonstrations, and Special Purpose Activities Relating to the Clean Air Act	66.034	ESD7230 Claims130002	17,500
			<u>107,688</u>
Capitalization Grants for Drinking Water State Revolving Funds	66.468	ESD7159CHE NDE130010	15,925
Performance Partnership Grants	66.605	ESD7230 Claims130002	<u>82,025</u>
Total U.S. Environmental Protection Agency			<u>207,591</u>
U.S. Department of Health and Human Services:			
Pass-Through Program From:			
Heritage Area Agency on Aging:			
Special Programs for the Aging - Title IV - and Title II - Discretionary Projects	93.048	1008	<u>58,552</u>

County of Linn, Iowa  
Schedule of Expenditures of Federal Awards  
Year Ended June 30, 2013

<u>Grantor/Program</u>	<u>Federal CFDA Number</u>	<u>Pass-Through Entity Identifying Number</u>	<u>Federal Expenditures</u>
U.S. Department of Health and Human Services: (continued)			
Pass-Through Program From: (continued)			
Iowa Department of Public Health:			
Public Health Emergency Preparedness	93.069	5883BT57	\$ 138,655
Public Health Emergency Preparedness	93.069	5882BT57	12,288
			<u>150,943</u>
Environmental Public Health and Emergency Response	93.070	5883LP04	<u>6,191</u>
Iowa Department of Health and Human Services:			
Medicare Enrollment Assistance Program	93.071	IDA#1114	<u>3,444</u>
Iowa Department of Public Health:			
Project Grants and Cooperative Agreements for Tuberculosis Control Programs	93.116	MOU-2013-TB16	<u>7,100</u>
Immunization Cooperative Agreements	93.268	5882I448	12,316
Immunization Cooperative Agreements	93.268	5883I448	<u>6,222</u>
			<u>18,538</u>
Centers for Disease Control and Prevention - Investigations and Technical Assistance	93.283	5883NB16	28,772
Centers for Disease Control and Prevention - Investigations and Technical Assistance	93.283	5883HP54	5,000
Centers for Disease Control and Prevention - Investigations and Technical Assistance	93.283	5883CRC03	<u>3,975</u>
			<u>37,747</u>
PPHF 2012: Community Transformation Grants and National Dissemination and Support for Community Transformation Grants - financed solely by 2012 Prevention and Public Health Funds			
	93.531	5883HP13	30,500
PPHF 2012: Community Transformation Grants and National Dissemination and Support for Community Transformation Grants - financed solely by 2012 Prevention and Public Health Funds			
	93.531	5882HP13	<u>20,596</u>
			<u>51,096</u>

County of Linn, Iowa  
Schedule of Expenditures of Federal Awards  
Year Ended June 30, 2013

<u>Grantor/Program</u>	<u>Federal CFDA Number</u>	<u>Pass-Through Entity Identifying Number</u>	<u>Federal Expenditures</u>
U.S. Department of Health and Human Services: (continued)			
Pass-Through Program From: (continued)			
Iowa Department of Public Health: (continued)			
PPHF 2012 - Prevention and Public Health			
Fund (Affordable Care Act) - Capacity			
Building Assistance to Strengthen Public			
Health Immunization Infrastructure and			
Performance financed in part by 2012			
Prevention and Public Health Funds			
	93.539	5883I448	\$ 3,272
Iowa Department of Human Services:			
Promoting Safe and Stable Families			
	93.556	DCAT-4-13-044	43,210
Sixth Judicial District Juvenile Court Services			
Temporary Assistance for Needy Families			
	93.558	JUV-13-TM-6-001	506,376
Iowa Department of Human Services:			
Child Support Enforcement			
	93.563	BOC-12-002	58,590
Human Services Administrative			
Reimbursement:			
Refugee and Entrant Assistance -			
State Administered Programs			
	93.566		524
Child Care Mandatory and			
Matching Funds of the Child			
Care and Development Fund			
	93.596		26,915
Hawkeye Area Community Action Program:			
Head Start			
	93.600	07CH6114	137,433
Iowa Department of Human Services:			
Human Services Administrative			
Reimbursement:			
Foster Care - Title IV-E			
	93.658		40,001
Adoption Assistance			
	93.659		11,211
Social Services Block Grant			
	93.667		34,482
Iowa Department of Public Health:			
ARRA - Prevention and Wellness			
Communities Putting Prevention to			
Work Funding Opportunities			
Announcement (FOA)			
	93.724	5883TOB02	23,001

County of Linn, Iowa  
Schedule of Expenditures of Federal Awards  
Year Ended June 30, 2013

<u>Grantor/Program</u>	<u>Federal CFDA Number</u>	<u>Pass-Through Entity Identifying Number</u>	<u>Federal Expenditures</u>
U.S. Department of Health and Human Services: (continued)			
Pass-Through Program From: (continued)			
Iowa Department of Human Services:			
Children's Health Insurance Program	93.767	75X5551	\$ 2,218,602
Human Services Administrative Reimbursement:			
Children's Health Insurance Program	93.767		446
			<u>2,219,048</u>
Medical Assistance Program	93.778		<u>115,403</u>
Iowa Department of Public Health:			
HIV Care Formula Grants	93.917	5883HC08	64,121
HIV Prevention Activities - Health Department Based	93.940	5883AP09	10,135
HIV Prevention Activities - Health Department Based	93.940	5882AP09	8,086
			<u>18,221</u>
Total U.S. Department of Health and Human Services			<u>3,635,419</u>
U.S. Executive Office of the President			
Pass-Through Program From:			
Iowa Department of Public Safety			
High Intensity Drug Trafficking Areas Program	95.001		<u>167,270</u>
U.S. Social Security Administration			
Pass-Through Program From:			
Iowa Division of Vocational Rehabilitation Services:			
Social Security - Disability Insurance	96.001		<u>70</u>
U.S. Department of Homeland Security:			
Pass-Through Program From:			
United Way of America:			
Emergency Food and Shelter National Board Program	97.024	30-2964-00	<u>41,274</u>
Iowa Department of Homeland Security:			
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	DR-1763	1,148,997
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	DR-4016	42,964
			<u>1,191,961</u>

County of Linn, Iowa  
Schedule of Expenditures of Federal Awards  
Year Ended June 30, 2013

<u>Grantor/Program</u>	<u>Federal CFDA Number</u>	<u>Pass-Through Entity Identifying Number</u>	<u>Federal Expenditures</u>
U.S. Department of Homeland Security: (continued)			
Pass-Through Program From: (continued)			
Iowa Department of Public Defense:			
Hazard Mitigation Grant	97.039	HMGP-DR- 1763-0168-01	\$ 180,107
Hazard Mitigation Grant	97.039	HMGP-DR- 1763-0135-01	75,360
Hazard Mitigation Grant	97.039	HMGP-DR- 1880-0039-01	13,360
			<u>268,827</u>
Total U.S. Department of Homeland Security			<u>1,502,062</u>
Total Expenditures of Federal Awards			<u>\$ 9,373,026</u>

**Note 1 - Basis of Presentation**

The accompanying schedule of expenditures of federal awards includes the federal grant activity of the County of Linn, Iowa, and is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. The County received federal awards both directly from federal agencies and indirectly through pass-through entities. Federal financial assistance provided to a subrecipient is treated as an expenditure when it is paid to the subrecipient.

Governmental fund types account for the County’s federal grant activity. Therefore, expenditures in the schedule of expenditures of federal awards are recognized on the modified accrual basis – when they become a demand on current available financial resources. The County’s summary of significant accounting policies is presented in Note 1 in the County’s basic financial statements.

**Note 2 - Subrecipients**

Of the federal expenditures presented in the accompanying schedule of expenditures of federal awards, the County provided federal awards to subrecipients as follows:

Program Title	Federal CFDA Number	Amount Provided to Subrecipients
Community Development Block Grants/State's program and Non-Entitlement Grants in Hawaii	14.228	\$ 2,058,459
Edward Byrne Memorial Justice Assistance Grant Program	16.738	96,694
ARRA - Recovery Act - Edward Byrne Memorial Justice Assistance Grant (JAG) Program / Grants To Units Of Local Government	16.804	8,411
HIV Care Formula Grants	93.917	64,121
Emergency Food and Shelter National Board Program	97.024	36,274

**Part I: Summary of the Independent Auditor's Results:**

**Financial Statements**

Type of auditor's report issued	Unmodified
Internal control over financial reporting:	
Material weaknesses identified	Yes
Significant deficiencies identified not considered to be material weaknesses	None reported
Noncompliance material to financial statements noted?	No

**Federal Awards**

Internal control over major programs:	
Material weaknesses identified	No
Significant deficiencies identified not considered to be material weaknesses	None reported
Type of auditor's report issued on compliance for major programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with OMB Circular A-133 §.510(a):	No

Identification of major programs:

<u>Name of Federal Program</u>	<u>CFDA Number</u>
Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii	14.228
JAG Cluster	
Edward Byrne Memorial Justice Assistance Grant Program	16.738
ARRA – Recovery Act – Edward Byrne Memorial Justice Assistance Grant (JAG) Program/Grants to Units of Local Government	16.804
Highway Planning and Construction	20.205
Temporary Assistance for Needy Families	93.558
Children's Health Insurance Program	93.767

Dollar threshold used to distinguish between type A and type B programs:	\$300,000
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Auditee qualified as low-risk auditee?	No
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**Part II: Findings Related to the Financial Statements:**

**Material Weakness**

**2013-A Material Audit Adjustments**

**Criteria** – A properly designed system of internal control over financial reporting allows for the preparation of financial statements which are free from material misstatement and presented in conformity with generally accepted accounting principles (GAAP).

**Condition** – As a result of our audit procedures, we were required to propose material adjustments to record additional accounts payable in the Capital Projects Fund and the related construction in progress for the Governmental Activities, and to adjust the additions to the Governmental Activities' construction in progress to actual.

**Effect** – Had the proposed adjustments not been made, the financial statements would have been materially misstated.

**Cause** – The adjustments were related to a disbursement made after the County had cutoff their accounts payable completion procedures and to a clerical error related to construction in progress additions.

**Recommendation** – We recommend that those responsible for preparation of the financial statements perform a more thorough review of the items needed to report in accordance with GAAP and communicate with other departments to ensure completeness of the information received.

**Response** – The County will implement additional review of financial statements to insure reporting in accordance with GAAP. Additionally, the County will instruct departments to communicate any disbursements made subsequent to the accounts payable cutoff date.

**Part III: Findings and Questioned Costs for Federal Awards:**

None reported.

**Part IV: Other Findings Related to Required Statutory Reporting:**

**2013-IA-A Certified Budget** – Disbursements during the year ended June 30, 2013, did not exceed the amounts budgeted by function.

**2013-IA-B Questionable Expenditures** – No expenditures that we believe may not meet the requirements of public purpose as defined in an Attorney General’s opinion dated April 25, 1979, were noted.

**2013-IA-C Travel Expense** – No expenditures of County money for travel expenses of spouses of County officials or employees were noted.

**2013-IA-D Business Transactions** – Business transactions between the County and County Officials or employees are detailed as follows:

Name, Title, and Business Connection	Transaction Description	Amount
Judy Commings, Options employee, spouse is owner of Aqua Technologies	Chemicals/Supplies	\$ 14,045
Brian Claney, Assistant County Attorney, spouse is a court reporter sometimes used by County to obtain documents on certain cases	Court documents	1,563
Steve Tucker, Finance Director, spouse is a court reporter some- times used by the County to obtain documents on certain cases	Court documents	443
Deborah Ironside, Deputy Recorder, son is owner of Ironside Apparel	Supplies	207

The transactions with Aqua Technologies do not appear to represent a conflict of interest since they were entered into through competitive bidding in accordance with Chapter 331.342(2)(c) of the Code of Iowa. In accordance with Chapter 331.342 of the Code of Iowa, the transactions with the Assistant County Attorney and Finance Director do not appear to represent conflicts of interest because these transactions are a result of this being professional services and the fact that the transaction is the default of their spouses being the reporter on a certain case. In accordance with Chapter 331.342(2)(j) of the Code of Iowa, the transactions with Ironside Apparel do not appear to represent a conflict of interest since the total of these transactions did not exceed \$1,500.

**Part IV: Other Findings Related to Required Statutory Reporting: (continued)**

**2013-IA-E Bond Coverage** – Surety bond coverage of County officials and employees is in accordance with statutory provisions. The amount of coverage should be reviewed annually to ensure that the coverage is adequate for current operations.

**2013-IA-F Board Minutes** – No transactions were found that we believe should have been approved in the Board minutes but were not.

**2013-IA-G Deposits and Investments** – No instances of noncompliance with the deposit and investment provisions of Chapters 12B and 12C of the Code of Iowa and the County’s investment policy were noted.

**2013-IA-H Resource Enhancement and Protection Certification** – The County properly dedicated property tax revenue to conservation purposes as required by Chapter 455A.19(1)(b) of the Code of Iowa in order to receive the additional REAP funds allocated in accordance with subsections (b)(2) and (b)(3).

**2013-IA-I County Extension Office** – The County Extension Office is operated under the authority of Chapter 176A of the Code of Iowa and serves as an agency of the State of Iowa. This fund is administered by an Extension Council separate and distinct from County operations and, consequently, is not included in the governmental funds balance sheet or statement of revenues, expenditures, and changes in fund balances.

Disbursements during the year ended June 30, 2013, for the County Extension Office did not exceed the amount budgeted.

**2013-IA-J Early Childhood Iowa Area Board** – Linn County is the fiscal agent for the Early Childhood Iowa Area Board, an organization formed pursuant to the provisions of Chapter 256I of the Code of Iowa. Financial transactions of the Area Board are included in the County’s financial statements as part of the Other Agency Funds because of the County’s fiduciary relationship with the organization.

No instances of non-compliance were noted as a result of the audit procedures performed.

There were no prior year federal findings.