



Information to Comply with Government Auditing Standards
and OMB Circular A-133, Audits of States, Local
Governments, and Non-Profit Organizations
June 30, 2014

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, 2014, 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 5, 2014.

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 2014-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*. However, we noted certain immaterial instances of non-compliance which are described in Part IV of the accompanying schedule of findings and questioned costs.

Comments involving statutory and other legal matters about the County's operations for the year ended June 30, 2014 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 Responses to Findings

The County's responses to the findings identified in our audit are described in the schedule of findings and questioned costs. The County's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

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 5, 2014

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, 2014. 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, 2014.

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, 2014, and have issued our report thereon dated December 5, 2014, 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
January 28, 2015

County of Linn, Iowa
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2014

Grantor/Program	Federal CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures
U.S. Department of Agriculture:			
Child Nutrition Cluster			
Pass-Through Program From:			
Iowa Department of Education:			
School Breakfast Program	10.553	57-8022	\$ 9,781
National School Lunch Program	10.555	57-8022	15,392
Summer Food Service Program for Children	10.559	054513	3,075
Total Food and Nutrition Service Cluster			<u>28,248</u>
Iowa Department of Education:			
Child and Adult Care Food Program	10.558	57-8012	<u>49,601</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	N/A	<u>95,364</u>
Total U.S. Department of Agriculture			<u>173,213</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-205	337,791
Community Development Block Grants/ State's Program and Non-Entitlement Grants in Hawaii	14.228	08-DRH-005	<u>55,587</u>
			<u>393,378</u>
City of Cedar Rapids, IA:			
Lead-Based Paint Hazard Control in Privately-Owned Housing	14.900	IALHB0548-13	<u>58,270</u>
Total U.S. Department of Housing and Urban Development			<u>451,648</u>

County of Linn, Iowa
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2014

Grantor/Program	Federal CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures
U.S. Department of the Interior Fish and Wildlife Service			
Pass-Through Program From:			
Iowa Department of Natural Resources:			
North American Wetlands Conservation Fund	15.623	F12AP00110- Mod1	<u>\$ 60,000</u>
U.S. Department of Justice:			
Pass-Through Program From:			
Iowa Department of Human Rights:			
Juvenile Justice and Delinquency Prevention - Allocation to States	16.540	06-JD12-13F	10,280
Juvenile Justice and Delinquency Prevention - Allocation to States	16.540	06-JD09-10F	<u>6,547</u>
			<u>16,827</u>
Pass-Through Program From:			
Governor's Office of Drug Control Policy:			
Public Safety Partnership and Community Policing Grants	16.710	10-Hotspots	<u>5,128</u>
Edward Byrne Memorial Justice Assistance Grant Program	16.738	11JAG58319	38,000
Direct Program:			
Edward Byrne Memorial Justice Assistance Grant	16.738		5,292
Edward Byrne Memorial Justice Assistance Grant	16.738		<u>907</u>
			<u>44,199</u>
Total U.S. Department of Justice			<u>66,154</u>
U.S. Department of Transportation:			
Pass-Through Program From:			
Iowa Department of Transportation:			
Highway Planning and Construction	20.205	10-STPES-106	101,967
Trees Forever:			
Highway Planning and Construction	20.205	57-01-13	<u>9,395</u>
			<u>111,362</u>
East Central Iowa Council of Governments:			
Formula Grants for Rural Areas	20.509		<u>112,482</u>

County of Linn, Iowa
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2014

Grantor/Program	Federal CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures
U.S. Department of Transportation: (continued)			
Pass-Through Program From: (continued)			
Governor's Traffic Safety Bureau:			
Alcohol Impaired Driving Countermeasures Incentive Grants I	20.601	13-410 Task 35	\$ 8,818
National Priority Safety Programs	20.616	PAP 14-405d- M6OT, Task 34	18,218
Total U.S. Department of Transportation			250,880
U.S. Environmental Protection Agency:			
Direct Program:			
Surveys, Studies, Research, Investigations, Demonstrations, and Special Purpose Activities Relating to the Clean Air Act	66.034		46,594
Surveys, Studies, Research, Investigations, Demonstrations, and Special Purpose Activities Relating to the Clean Air Act	66.034		22,281
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	13ESDAQBCliam- 0001	17,500
Capitalization Grants for Drinking Water State Revolving Funds	66.468	ESD7159CHende1 30010	13,328
Performance Partnership Grants	66.605	13ESDAQBCliam- 0001	83,428
Kansas Association of Conservation and Environmental Education:			
Environmental Education Grants	66.951	NE97734101	5,000
Total U.S. Environmental Protection Agency			188,131

County of Linn, Iowa
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2014

<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:			
Pass-Through Program From:			
Iowa Department of Public Health:			
Public Health Emergency Preparedness Hospital Preparedness Program (HPP) and Public Health Emergency Preparedness (PHEP) Aligned Cooperative Agreements	93.069	5883BT57	\$ 23,368
Project Grants and Cooperative Agreements for Tuberculosis Control Programs	93.074	5884BT36	166,793
Immunization Cooperative Agreements	93.116	MOU-2014-TB09	8,422
Immunization Cooperative Agreements	93.268	5883I448	13,400
Immunization Cooperative Agreements	93.268	5884I448	6,516
			<u>19,916</u>
Centers for Disease Control and Prevention - Investigations and Technical Assistance	93.283	5884NB16	21,500
Centers for Disease Control and Prevention - Investigations and Technical Assistance	93.283	5884CRC03	3,780
			<u>25,280</u>
PPHF - Community Transformation Grants and National Dissemination and Support for Community Transformation Grants - financed solely by Prevention and Public Health Funds	93.531	5883HP13	34,550
PPHF - Community Transformation Grants and National Dissemination and Support for Community Transformation Grants - financed solely by Prevention and Public Health Funds	93.531	5884HP13	34,125
			<u>68,675</u>

County of Linn, Iowa
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2014

<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 Capacity Building Assistance to Strengthen Public Health Immunization Infrastructure and Performance financed in part by Prevention and Public Health Funds	93.539	5884I448	\$ 8,999
PPHF Capacity Building Assistance to Strengthen Public Health Immunization Infrastructure and Performance financed in part by Prevention and Public Health Funds	93.539	5883I448	5,717
PPHF Capacity Building Assistance to Strengthen Public Health Immunization Infrastructure and Performance financed in part by Prevention and Public Health Funds	93.539	5884I4129	<u>5,639</u>
			<u>20,355</u>
Iowa Department of Human Services: Promoting Safe and Stable Families	93.556	DCAT-4-13-044	<u>41,103</u>
Sixth Judicial District Juvenile Court Services Temporary Assistance for Needy Families	93.558	JUV-13-TM-6-001	<u>287,902</u>
Iowa Department of Human Services: Human Services Administrative Reimbursement:			
Refugee and Entrant Assistance - State Administered Programs	93.566	N/A	<u>232</u>
Child Care Mandatory and Matching Funds of the Child Care and Development Fund	93.596	N/A	<u>27,861</u>
Hawkeye Area Community Action Program: Head Start	93.600	07CH6114	<u>137,433</u>
Iowa Department of Human Services: Human Services Administrative Reimbursement:			
Foster Care - Title IV-E	93.658	N/A	<u>36,626</u>
Adoption Assistance	93.659	N/A	<u>12,444</u>
Social Services Block Grant	93.667	N/A	<u>29,210</u>
Social Services Block Grant	93.667	N/A	<u>896,088</u>
			<u>925,298</u>

County of Linn, Iowa
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2014

Grantor/Program	Federal CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures
U.S. Department of Health and Human Services: (continued)			
Pass-Through Program From: (continued)			
Iowa Department of Human Services: (continued)			
Human Services Administrative			
Reimbursement:			
Children's Health Insurance Program	93.767	N/A	\$ 409
Medical Assistance Program	93.778		<u>160,284</u>
Iowa Department of Public Health:			
HIV Care Formula Grants	93.917	5884HC08	71,307
HIV Care Formula Grants	93.917	5885HC08	<u>33,342</u>
			<u>104,649</u>
HIV Prevention Activities - Health Department Based	93.940	5883AP09	10,025
HIV Prevention Activities - Health Department Based	93.940	5884AP09	<u>8,734</u>
			<u>18,759</u>
Total U.S. Department of Health and Human Services			<u>2,085,809</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	G12MW002A	95,640
High Intensity Drug Trafficking Areas Program	95.001	G13MW002A	<u>48,992</u>
			<u>144,632</u>
U.S. Social Security Administration			
Pass-Through Program From:			
Iowa Division of Vocational Rehabilitation Services:			
Social Security - Disability Insurance	96.001	N/A	<u>35</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>37,562</u>
Iowa Department of Homeland Security:			
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	DR-4126	<u>16,777</u>

County of Linn, Iowa
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2014

<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- 1880-0039-01	\$ 14,597
Total U.S. Department of Homeland Security			<u>68,936</u>
Total Expenditures of Federal Awards			<u>\$ 3,489,438</u>

N/A – Not Available

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	\$ 393,378
Edward Byrne Memorial Justice Assistance Grant Program	16.738	44,199
Emergency Food and Shelter National Board Program	97.024	37,562

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
Highway Planning and Construction	20.205
Formula Grants for Rural Areas	20.509
Temporary Assistance for Needy Families	93.558
Social Services Block Grant	93.667

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

2014-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) and the requirements of OMB Circular A-133, *Audit of States, Local Governments, and Non-Profit Organizations*.

Condition – As a result of our audit procedures, we were required to propose a material adjustment to reduce the beginning of the year equity of the Governmental Activities for an overstatement of construction in progress at June 30, 2013. We were also required to propose a material adjustment to the Schedule of Expenditures of Federal Awards.

Effect – Prior to posting audit adjustments, financial data was not in accordance with generally accepted accounting principles or the requirements of OMB Circular A-133, *Audit of States, Local Governments, and Non-Profit Organizations*.

Cause – The adjustment to the financial statements was related to a capital asset that was both placed into service as buildings, but also remained in construction in progress. The cause appears to be break in communication between the individuals maintaining the capital asset schedules and construction in progress balances regarding this asset. The adjustment to the Schedule of Expenditures of Federal Awards was caused by coding errors on receipts of federal assistance from the state.

Recommendation – We recommend that those responsible for preparation of the financial statements and the Schedule of Expenditures of Federal Awards perform a more thorough review of the items needed to report in accordance with GAAP and the requirements of OMB Circular A-133.

Response – The County will implement additional review of financial statements and Schedule of Expenditures of Federal Awards to insure reporting in accordance with GAAP.

Part III: Findings and Questioned Costs for Federal Awards:

None reported.

Part IV: Other Findings Related to Required Statutory Reporting:

2014-IA-A Certified Budget – Disbursements during the year ended June 30, 2014, did not exceed the amounts budgeted by function.

2014-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.

2014-IA-C Travel Expense – No expenditures of County money for travel expenses of spouses of County officials or employees were noted.

2014-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	\$ 33,252
John Gahring, Sheriff’s Office, parent is owner of Gahring Machine and Manufacturing	Supplies	2,710

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. The transactions with Gahring Machine and Manufacturing may represent a conflict of interest.

Recommendation – We recommend the County review the transactions with Gahring Machine and Manufacturing with the County Attorney.

Response – The County will review the transactions with Gahring Machine and Manufacturing with the County Attorney.

2014-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.

2014-IA-F Board Minutes – No transactions were found that we believe should have been approved in the Board minutes but were not.

2014-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.

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

- 2014-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).
- 2014-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, 2014, for the County Extension Office did not exceed the amount budgeted.
- 2014-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.
- 2014-IA-K Warrants Outstanding** – Chapter 331.554(7) of the Code of Iowa requires the County Auditor to cancel warrants that are outstanding for more than one year. The warrant is to be credited to the fund upon which the warrant was drawn. A person may then file a claim with the auditor for the amount of the canceled warrant within one year of the date of the cancellation. The County’s outstanding warrant list at June 30, 2014, included various payroll warrants outstanding for more than one year.
- Recommendation** – We recommend the County review procedures and policies to ensure compliance with the requirements of Chapter 331.554 of the Code of Iowa.
- Response** – The County has advised the County Auditor to cancel warrants that are outstanding for more than one year.
- 2014-IA-L Code of Ordinances** – Chapter 331.302(10) of the Code of Iowa requires the County to compile a code of ordinances at least once every five years. The last time the County’s ordinances were codified was in 2006.
- Recommendation** – We recommend the County compile a code of ordinances as soon as possible and review procedures and policies to ensure future compliance with the requirements of Chapter 331.302(10) of the Code of Iowa.
- Response** – The Board of Supervisors will compile a code of ordinances as soon as possible. The Board has been reminded that it shall compile a code of ordinances containing all of the ordinances in effect. Further, per Chapter 331.301(9), the County Auditor is required to maintain and make available to the public up-to-date copies of all effective ordinances.

County of Linn, Iowa
 Corrective Action Plan for Audit Findings
 Year Ended June 30, 2014

Comment Number	Comment Title	Corrective Action Plan	Contact Person, Title, Phone Number	Anticipated Date of Completion
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Findings Related to the Financial Statements:

2014-A	Material Audit Adjustments	The corrective action plan was documented in our response to the auditor’s comment. See the Schedule of Findings and Questioned Costs.	Steve Tucker, Finance Director 319-892-5115	June 30, 2015
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There were no prior year federal findings.