



Information to Comply with Government Auditing  
Standards and OMB Circular A-133, Audits of States,  
Local Governments, and Non-Profit Organizations  
June 30, 2015

**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, (County) as of and for the year ended June 30, 2015, 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 11, 2015.

**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.

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. 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.

Our consideration of internal control 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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify a certain deficiency in internal control, described in Part II of the accompanying schedule of findings and questioned costs as item 2015-A, that we consider to be a significant deficiency.

## **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, 2015 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 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 11, 2015

**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, 2015. 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, 2015.

## **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, 2015, and have issued our report thereon dated December 11, 2015, 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, 2016

County of Linn, Iowa  
Schedule of Expenditures of Federal Awards  
Year Ended June 30, 2015

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	\$ 11,167
National School Lunch Program	10.555	57-8022	17,727
Summer Food Service Program for Children	10.559	048815	<u>1,960</u>
Total Food and Nutrition Service Cluster			<u>30,854</u>
Pass-Through Program From:			
Iowa Department of Education:			
Child and Adult Care Food Program	10.558	57-8012	<u>53,225</u>
Iowa Department of Human Services:			
Human Services Administrative			
Reimbursement:			
State Administrative Matching			
Grants for the Supplemental			
Nutrition Assistance Program	10.561	N/A	<u>105,755</u>
Total U.S. Department of Agriculture			<u>189,834</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	<u>1,820,563</u>
City of Cedar Rapids, IA:			
Lead-Based Paint Hazard Control in Privately-Owned Housing	14.900	IALHB0548-13	<u>60,406</u>
Total U.S. Department of Housing and Urban Development			<u>1,880,969</u>

County of Linn, Iowa  
Schedule of Expenditures of Federal Awards  
Year Ended June 30, 2015

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	\$ 60,000
North American Wetlands Conservation Fund	15.623	F12AP00110	<u>15,600</u>
Total U.S. Department of the Interior Fish and Wildlife Service			<u>75,600</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	<u>10,413</u>
Direct Program:			
Bulletproof Vest Partnership Program	16.607		<u>15,162</u>
Pass-Through Program From:			
Governor's Office of Drug Control Policy:			
Public Safety Partnership and Community Policing Grants	16.710	10-Hotspots	<u>21,230</u>
Edward Byrne Memorial Justice Assistance Grant Program	16.738	12JAG77090	36,726
Direct Program:			
Edward Byrne Memorial Justice Assistance Grant Program	16.738		37,058
Edward Byrne Memorial Justice Assistance Grant Program	16.738		10,822
Edward Byrne Memorial Justice Assistance Grant Program	16.738		<u>7,155</u>
			<u>91,761</u>
Total U.S. Department of Justice			<u>138,566</u>



County of Linn, Iowa  
Schedule of Expenditures of Federal Awards  
Year Ended June 30, 2015

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	57-03-10 (STPES-TREE)(16)	\$ 107
Highway Planning and Construction	20.205	57-02-13	13,635
			<u>13,742</u>
East Central Iowa Council of Governments:			
Formula Grants for Rural Areas	20.509	N/A	105,668
Governor's Traffic Safety Bureau:			
National Priority Safety Programs	20.616	PAP 14-405d- M6OT, Task 34	15,833
National Priority Safety Programs	20.616	PAP 14-405d- M6OT, Task 35	39,487
			<u>55,320</u>
Total U.S. Department of Transportation			<u>174,730</u>
U.S. Environmental Protection Agency:			
Direct Program:			
Surveys, Studies, Research, Investigations, Demonstrations, and Special Purpose Activities Relating to the Clean Air Act			
	66.034		6,869
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	14ESDAQBCIiam- 0001	17,500
			<u>24,369</u>
Capitalization Grants for Drinking Water State Revolving Funds	66.468	ESD7159CHende1 30010	18,438
Performance Partnership Grants	66.605	14ESDAQBCIiam- 0001	77,312
Total U.S. Environmental Protection Agency			<u>120,119</u>

County of Linn, Iowa  
Schedule of Expenditures of Federal Awards  
Year Ended June 30, 2015

Grantor/Program	Federal CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures
U.S. Department of Health and Human Services:			
Pass-Through Program From:			
Iowa Department of Public Health:			
Hospital Preparedness Program (HPP) and Public Health Emergency Preparedness (PHEP) Aligned Cooperative Agreements	93.074	5885BT302	\$ 979
Hospital Preparedness Program (HPP) and Public Health Emergency Preparedness (PHEP) Aligned Cooperative Agreements	93.074	5885BT36	<u>229,933</u>
			<u>230,912</u>
Food and Drug Administration Research Project Grants and Cooperative Agreements for Tuberculosis Control Programs	93.103	G-SP-1401-00789	<u>2,463</u>
Immunization Cooperative Agreements	93.116	MOU-2015-TB04	<u>4,125</u>
Immunization Cooperative Agreements	93.268	5885I448	15,497
Immunization Cooperative Agreements	93.268	5884I448	<u>15,323</u>
			<u>30,820</u>
Centers for Disease Control and Prevention - Investigations and Technical Assistance	93.283	5885NB16	12,705
Centers for Disease Control and Prevention - Investigations and Technical Assistance	93.283	5885CRC03	<u>5,000</u>
			<u>17,705</u>
PPHF - Community Transformation Grants and National Dissemination and Support for Community Transformation Grants - Financed Solely by Prevention and Public Health Funds	93.531	5884HP13	<u>31,375</u>

County of Linn, Iowa  
Schedule of Expenditures of Federal Awards  
Year Ended June 30, 2015

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 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	5884I4129	\$ 2,251
Iowa Department of Human Services:			
Promoting Safe and Stable Families	93.556	DCAT4-15-047	41,427
Promoting Safe and Stable Families	93.556	ACFS 14-127	21,364
Promoting Safe and Stable Families	93.556	ACFS 14-158	3,800
Promoting Safe and Stable Families	93.556	ACFS 14-098	2,903
			<u>69,494</u>
Temporary Assistance for Needy Families	93.558	ACFS 14-127	3,653
Temporary Assistance for Needy Families	93.558	ACFS 14-158	650
Temporary Assistance for Needy Families	93.558	ACFS 14-098	496
Sixth Judicial District Juvenile Court Services:			
Temporary Assistance for Needy Families	93.558	JUV-13-TM-6-001	338,000
			<u>342,799</u>
Iowa Department of Human Services:			
Human Services Administrative			
Reimbursement:			
Refugee and Entrant Assistance -			
State Administered Programs	93.566	N/A	245
Child Care Mandatory and			
Matching Funds of the Child			
Care and Development Fund	93.596	N/A	27,389
Hawkeye Area Community Action Program:			
Head Start	93.600	07CH6114	22,906
Head Start	93.600	N/A	140,081
			<u>162,987</u>
Iowa Department of Human Services:			
Human Services Administrative			
Reimbursement:			
Foster Care - Title IV-E	93.658	N/A	40,563
Adoption Assistance	93.659	N/A	12,799
Social Services Block Grant	93.667	N/A	32,484
Social Services Block Grant	93.667	N/A	28,097
			<u>60,581</u>

County of Linn, Iowa  
Schedule of Expenditures of Federal Awards  
Year Ended June 30, 2015

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)			
Child Abuse and Neglect State Grants	93.669	ACFS 14-0127	\$ 146
Child Abuse and Neglect State Grants	93.669	ACFS 14-098	20
Child Abuse and Neglect State Grants	93.669	ACFS 14-158	26
			<u>192</u>
Human Services Administrative			
Reimbursement:			
Children's Health Insurance Program	93.767	N/A	648
Medical Assistance Program	93.778	N/A	199,126
Iowa Department of Public Health:			
HIV Care Formula Grants	93.917	5886HC08	77,338
HIV Care Formula Grants	93.917	5885HC08	92,722
			<u>170,060</u>
HIV Prevention Activities - Health			
Department Based	93.940	5885AP09	9,950
HIV Prevention Activities - Health			
Department Based	93.940	5884AP09	16,214
			<u>26,164</u>
Total U.S. Department of Health and Human Services			<u>1,432,698</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	G13MW002A	126,984
High Intensity Drug Trafficking Areas Program	95.001	G14MW002A	71,713
			<u>198,697</u>
U.S. Social Security Administration:			
Pass-Through Program From:			
Iowa Division of Vocational Rehabilitation Services:			
Social Security - Disability Insurance	96.001	N/A	105

County of Linn, Iowa  
Schedule of Expenditures of Federal Awards  
Year Ended June 30, 2015

Grantor/Program	Federal CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures
U.S. Department of Homeland Security:			
Pass-Through Program From:			
United Way of America:			
Emergency Food and Shelter National Board Program	97.024	31-2964-00	\$ 3,788
Emergency Food and Shelter National Board Program	97.024	32-2964-00	<u>45,074</u>
			<u>48,862</u>
Iowa Department of Homeland Security:			
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	DR-4187	600,824
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	DR-4126	<u>83,427</u>
			<u>684,251</u>
Iowa Department of Public Defense:			
Hazard Mitigation Grant	97.039	HMGP-DR- 1880-0039-01	10,179
Hazard Mitigation Grant	97.039	HMGP-DR- 1998-0003 01	110,038
Hazard Mitigation Grant	97.039	HMGP-DR- 4114-0005-01	<u>1,044</u>
			<u>121,261</u>
Total U.S. Department of Homeland Security			<u>854,374</u>
Total Expenditures of Federal Awards			<u>\$ 5,065,692</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.

**Note 2 - Significant Accounting Policies**

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 3 - 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	\$ 1,820,563
Edward Byrne Memorial Justice Assistance Grant Program	16.738	42,646
Promoting Safe and Stable Families	93.556	28,067
Temporary Assistance for Needy Families	93.558	4,799
Child Abuse and Neglect State Grants	93.669	192
Emergency Food and Shelter National Board Program	97.024	41,335

**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	No
Significant deficiencies identified not considered to be material weaknesses	Yes
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
Temporary Assistance for Needy Families	93.558
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036

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:**

**Significant Deficiency**

**2015-A Significant 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 significant adjustments to Construction in Progress and Accounts Receivable during the audit process.

**Effect** – Prior to posting audit adjustments, financial data was not in accordance with generally accepted accounting principles.

**Cause** – The adjustment to Construction in Progress was due to an error in applying the prorated amount of construction invoices for the Alburnett Road Project. The adjustment to Accounts Receivable was due to an oversight of the amounts owed to the County from the Monroe Fire District.

**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.

**Response** – The County will implement additional review of financial statements 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:**

**2015-IA-A Certified Budget** – Disbursements during the year ended June 30, 2015, did not exceed the amounts budgeted by function.

**2015-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.

**2015-IA-C Travel Expense** – No expenditures of County money for travel expenses of spouses of County officials or employees were noted.

**2015-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
James Houser, Board of Supervisors, spouse is Deputy Linn County Medical Examiner	Services	\$ 11,071
Judy Commings, Options employee, spouse is owner of Aqua Technologies	Supplies	9,428
Gayle Keiser, County Attorney’s Office, sister is JoAnne Morenz	Services	5,981
John Gahrning, Sheriff’s Office, parent is owner of Gahrning Machine and Manufacturing	Supplies	3,960
Gayle Keiser, County Attorney’s Office, daughter is Mackenzie Keiser	Services	3,802
Brian Claney, County Attorney’s Office, spouse is Ann Claney	Services	477
Linda Langston, Board of Supervisors, spouse is David Langston	Services	219
Kayla Davis, Recorder’s Office, spouse is Todd Davis	Supplies	24

According to Chapter 331.342 of the Code of Iowa, an officer or employee of a county shall not have an interest, direct or indirect, in a contract with that county. The provision does not apply to transactions that do not exceed a cumulative total purchase price of \$1,500 in a fiscal year or to contracts made by a county upon competitive bid. The transactions involving James Houser, Judy Commings, Gayle Keiser, and John Gahrning were not entered into through competitive bidding.

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

**2015-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.

**2015-IA-F Board Minutes** – No transactions were found that we believe should have been approved in the Board minutes but were not.

**2015-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.

**2015-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).

**2015-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, 2015, for the County Extension Office did not exceed the amount budgeted.

**2015-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.

**2015-IA-K 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, 2015

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

2015-A	Significant 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, 2016
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There were no prior year federal findings.