September 3, 2026

To the Board of Supervisors
Marshall County
Marshalltown, IA

This letter is provided in connection with our engagement to audit the financial statements and to audit compliance over major federal award programs of Marshall County, Iowa (County) as of and for the year ended June 30, 2026. Professional standards require that we communicate with you certain items including our responsibilities with regard to the financial statement audit, the compliance audit, and the planned scope and timing of our audits, including significant risks we have identified.

Our Responsibilities

As stated in our statement of work dated September 3, 2026, we are responsible for conducting our audit in accordance with auditing standards generally accepted in the United States of America (GAAS), *Government Auditing Standards* of the Comptroller General of the United States of America, the requirements of the Single Audit Act, as amended; and the provisions of the audit requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), for the purpose of forming and expressing opinions on the financial statements and on major federal award program compliance. Our audits do not relieve you or management of your respective responsibilities.

Our responsibility as it relates to the schedule of expenditures of federal awards is to evaluate its presentation for the purpose of forming and expressing an opinion as to whether it is presented fairly in all material respects in relation to the financial statements as a whole.

Our responsibility relating to other information, whether financial or nonfinancial information (other than financial statements and the auditor's report thereon), included in the entity's financial statements include only the information identified in our report. We have no responsibility for determining whether the list of officials is properly stated. We require that we receive the final version of the financial statements (including all the documents that, together, comprise the annual report) in a timely manner prior to the date of the auditor's report, or if that is not possible as soon as practicable and, in any case, prior to the entity's issuance of such information.

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Planned Scope of the Audit

Our audits will include examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, our audit will involve judgment about the number of transactions to be examined and the areas to be tested. Our audit is designed to provide reasonable, but not absolute assurance about whether the financial statements as a whole are free of material misstatement, whether due to error, fraudulent financial reporting, misappropriation of assets, or violations of laws or governmental regulations. Because of this concept of reasonable assurance and because we will not examine all transactions, there is a risk that material misstatements may exist and not be detected by us.

Our audit procedures will also include determining major federal programs and performing the applicable procedures described in the U.S. Office of Management and Budget *OMB Compliance Supplement* for the types of compliance requirements that could have a direct and material effect on each of the entity's major programs.

Because of the inherent limitations of an audit, together with the inherent limitations of internal control, an unavoidable risk that some material misstatements or material noncompliance may not be detected exists, even though the audit is properly planned and performed in accordance with U.S. GAAS, *Government Auditing Standards* of the Comptroller General of the United States of America, the requirements of the Single Audit Act, as amended; and the provisions of the Uniform Guidance.

Our audits will include obtaining an understanding of the entity and its environment, including its internal control, sufficient to assess the risks of material misstatement of the financial statements, the risk of material noncompliance in the major federal award programs, and as a basis for designing the nature, timing, and extent of further audit procedures, but not for the purpose of expressing an opinion of the effectiveness of the entity's internal control over financial reporting. However, we will communicate to you at the conclusion of our audit, any material weaknesses or significant deficiencies identified. We will also communicate to you:

- Any violation of laws or regulations that come to our attention;
- Our views related to qualitative aspects of the entity's significant accounting practices, including accounting policies, accounting estimates, and financial statement disclosures;
- Significant difficulties, if any, encountered during the audit;
- Significant unusual transactions, if any;
- The potential effects of uncorrected misstatements on future-period financial statements; and
- Other significant matters that are relevant to your responsibilities in overseeing the financial reporting process.

Professional standards require us to design our audit to provide reasonable assurance that the financial statements are free of material misstatement whether caused by fraud or error. In designing our audit procedures, professional standards require us to evaluate the financial statements and assess the risk that a material misstatement could occur. Areas that are potentially more susceptible to misstatements, and thereby require special audit considerations, are designated as "significant risks." Although we are currently in the planning stage of our audit, we have preliminarily identified the following significant risks that require special audit consideration.

- Management Override of Controls – Professional standards require auditors to address the possibility of management overriding controls. Accordingly, we will consider as a significant risk that management of the County may have the ability to override controls that the County has implemented over financial reporting and compliance with the federal programs.
- Revenue Recognition – We will consider revenue recognition as a significant risk due to potential complexities with accounting standards.

- Segregation of Duties – We will consider segregation of duties as a significant risk due to the limited number of personnel not being available to adequately segregate all accounting functions.
- Capitalization – We considered capitalization of capital assets as a significant risk. The volume of projects, reliance on vendors for timely information, and involvement of multiple County departments could result in capital asset additions being misstated.
- Expense Recognition – We considered expenditure recognition as a significant risk due to the manual year-end accrual process, which relies on the accuracy and the obtaining of the needed information for County departments.
- Significant Estimates – We considered significant estimates related to pension and other postemployment benefits (OPEB) related balances as significant risks. The pension and OPEB calculations are material, complex, and sensitive estimates. They are also subject to complex financial reporting and disclosure requirements.

The County's financial statements include the financial statements of four drainage districts, reported as blended component units. For the purposes of our audit, we do not consider the four drainage districts to be significant components of the County's financial statements. Consistent with the audit of the County's financial statements as a whole, our audit will include obtaining an understanding of the four drainage districts and their environment, including internal control, sufficient to assess the risks of material misstatement of the County's financial statements and to design the nature, timing, and extent of further audit procedures.

We expect to begin our audit in June 2026 and issue our report in January 2027.

This information is intended solely for the information and use of the Board of Supervisors of Marshall County, Iowa and is not intended to be and should not be used by anyone other than these specified parties.

Respectfully,

Eide Bailly LLP

Dubuque, Iowa