



30 management, collection, or disbursement of moneys belonging to it or appropriated by law or  
31 otherwise acquired for its use or benefit;

32 (b) is performed in accordance with generally accepted government auditing standards;  
33 and

34 (c) conforms to the uniform classification of accounts established or approved by the  
35 state auditor or any other classification of accounts established by any federal government  
36 agency.

37 (3) "Audit report" means:

38 (a) the financial statements presented in conformity with generally accepted accounting  
39 principles;

40 (b) the auditor's opinion on the financial statements;

41 (c) a statement by the auditor expressing positive assurance of compliance with state  
42 fiscal laws identified by the state auditor;

43 (d) a copy of the auditor's letter to management that identifies any material weakness in  
44 internal controls discovered by the auditor and other financial issues related to the expenditure  
45 of funds received from federal, state, or local governments to be considered by management;  
46 and

47 (e) management's response to the specific recommendations.

48 (4) "Compilation" means information presented in the form of financial statements  
49 presented in conformity with generally accepted accounting principles that are the  
50 representation of management without the accountant undertaking to express any assurances on  
51 the statements.

52 (5) "Fiscal report" means providing information detailing revenues and expenditures of  
53 all funds using forms provided by the state auditor.

54 (6) "Governing board" means:

55 (a) the governing board of each political subdivision;

56 (b) the governing board of each interlocal organization having the power to tax or to  
57 expend public funds;

58 (c) the governing board of any local mental health authority established under the  
59 authority of Title 62A, Chapter 15, Substance Abuse and Mental Health Act;

60 (d) the governing board of any substance abuse authority established under the  
61 authority of Title 62A, Chapter 15, Substance Abuse and Mental Health Act;

62 (e) the governing board of any area agency established under the authority of Title  
63 62A, Chapter 3, Aging and Adult Services;

64 (f) the governing board of any nonprofit corporation that receives at least 50% of its  
65 funds from federal, state, and local government entities through contracts;

66 (g) the governing board of any other entity established by a local governmental unit  
67 that receives tax exempt status for bonding or taxing purposes; and

68 (h) in municipalities organized under an optional form of municipal government, the  
69 municipal legislative body.

70 (7) "Review" means performing inquiry and analytical procedures that provide the  
71 accountant with a reasonable basis for expressing limited assurance that there are no material  
72 modifications that should be made to the financial statements for them to be in conformity with  
73 generally accepted accounting principles.