

POLK COUNTY, IOWA

Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2016

Grantor/Program	CFDA Number	Contract Number	Total Federal Expenditures
DEPARTMENT OF AGRICULTURE			
Direct Program - Commodity Supplemental Food Distribution (Non-Cash)	10.565	N/A	\$ 683,531
Passed through Iowa Department of Education:			
National School Breakfast Program	* 10.553	77-8810	29,957
National School Lunch Program	* 10.555	77-8810	16,450
Child Care Food Program	10.558	77-8050	2,141,063
Passed through Iowa Department of Human Services:			
Local Administration Expense Reimbursement	10.561	N/A	378,241
Commodity Supplemental Food Program	10.565	ACFS 14-239	159,061
Commodity Supplemental Food Program	10.565	ACFS 13-239	52,028
Total Department of Agriculture			<u>3,460,331</u>
DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT			
Passed through Iowa Department of Economic Development:			
Community Development Block Grants-Housing Rehabilitation	14.228	13-HSG-010	52,978
Total Department of Housing and Urban Development			<u>52,978</u>
DEPARTMENT OF INTERIOR			
Passed through Iowa Department of Natural Resources:			
Iowa Prairie Lakes 7	15.623	F15AP00419	20,000
Land and Water Conservation Fund Program - Fort Des Moines Classroom	15.916	19-01298	103,437
Total Department of Interior			<u>123,437</u>
DEPARTMENT OF JUSTICE			
Passed through Iowa Department of Justice:			
Crime Victim Assistance (VOCA)	16.575	VA-16-40-HP	139,723
Crime Victim Assistance (VOCA)	16.575	VA-16-21-SAC	104,552
Passed through Governor's Office of Drug Control Policy:			
Methamphetamine Drug Hot Spots Grant Program	(1) 16.710	14-CAMP-8	29,715
Edward Byrne Justice Assistance Grant (JAG)	(2) 16.738	12-JAG-110907	374,148
Edward Byrne Justice Assistance Grant (JAG) LLEBG '14	16.738	JAG 2014-DJ-BX-0212	3,335
Total Department of Justice			<u>651,473</u>
DEPARTMENT OF TRANSPORTATION			
Passed through Iowa Department of Transportation:			
Highway Planning and Construction - Galy Lea Wilson Trail	20.205	12-STPE-128	2,279
Highway Planning and Construction - BR#3650	20.205	1-14-HBP-S-003	-
Passed through Iowa Department of Public Safety/Governor's Traffic Safety Bureau:			
Alcohol Incentive Grant	20.600	PAP 15-402-M0AL Task 08	1,658
Alcohol Incentive Grant	20.600	PAP 16-402-M0PT Task 21	12,330
Passed through Iowa Department of Public Defense:			
2014 HMEP - Training	20.703	HM-HMP-0399-14-01-00	4,578
2015 HMEP	20.703	HM-HMP-0475-15-01-00	1,500
Total Department of Transportation			<u>22,345</u>
ENVIRONMENTAL PROTECTION AGENCY			
Passed through Iowa Department of Natural Resources:			
Air Quality Control Implementation Plan Agreement	66.001	15ESDAQBclaim-0002	188,231
Water Quality Management Planning - Mud, Spring, and Camp Creek	66.454	15ESDWQBKAMEN-0004	67,570
Total Environmental Protection Agency			<u>255,801</u>
DEPARTMENT OF ENERGY			
Passed through Iowa Department of Human Rights:			
Weatherization Assistance for Low-Income Persons	81.042	DOE-15-20S	196,070
Weatherization Assistance for Low-Income Persons	81.042	DOE-16-20S	446,941
Total Department of Energy			<u>643,011</u>

(continued)

POLK COUNTY, IOWA

Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2016

Grantor/Program	CFDA Number	Contract Number	Total Federal Expenditures
DEPARTMENT OF HEALTH AND HUMAN SERVICES			
Passed through Aging Resource of Central Iowa:			
Title IIIB - Transportation	** 93.044	N/A	\$ 57,500
Title IIIB - Assisted Transportation	** 93.044	N/A	9,036
Title IIIB - Well Elderly Clinic	** 93.044	N/A	16,000
Title IIIB - Advocacy/Counseling	** 93.044	N/A	18,600
Title IIIC-1 - Nutrition	** 93.045	N/A	225,000
Nutrition Services Incentive Program - USDA Cash	** 93.053	N/A	138,059
Passed through Iowa Department of Human Rights:			
Family Development and Self Sufficiency	93.558	FaDSS-16-20	332,316
Low-Income Home Energy Assistance	93.568	HEAP-15-20S	1,157,077
Low-Income Home Energy Assistance	93.568	HEAP-16-20S	719,875
Passed through Iowa Department of Human Services:			
Local Purchase Allocation Social Services Block Grant	93.667	N/A	960,000
Local Administration Expense Reimbursement	93.566	N/A	1,093
Local Administration Expense Reimbursement	93.596	N/A	100,301
Local Administration Expense Reimbursement	93.658	N/A	141,784
Local Administration Expense Reimbursement	93.659	N/A	49,373
Local Administration Expense Reimbursement	93.667	N/A	118,530
Local Administration Expense Reimbursement	93.767	N/A	2,678
Local Administration Expense Reimbursement-Medical Assistance Program	93.778	N/A	718,003
Passed through Iowa Department of Public Health:			
Public Health Emergency Preparedness - Cities Readiness Initiative	93.074	5886BT211	160,350
Public Health Emergency Preparedness - Hospital Preparedness Program	93.074	5886BT13	472,375
Ebola Virus Disease Monitoring - PHEP	93.074	5886BT85	2,393
Emergency Response Multi-Year Program	93.074	5885BT477	40,410
Tuberculosis Elimination	93.116	MOU-2016-TB02	1,700
I-4 Project	93.268	5885I464	20,859
I-4 Project	93.268	5886I464	11,699
Care for Yourself Program	93.283	5885NB20	190,163
Ebola Virus Disease Preparedness and Response	93.817	5885BT509	36,733
HIV-CTR & Hepatitis	93.940	5885AP10	11,049
HIV-CTR & Hepatitis	93.940	5886AP10	16,500
Total Department of Health and Human Services			<u>5,729,456</u>
OFFICE OF NATIONAL DRUG CONTROL POLICY			
Passed through Iowa Department of Public Safety/Governor's Traffic Safety Bureau:			
Iowa Enforcement Initiative (HIDTA) Grant	95.001	G15MW0002A	<u>34,469</u>
Total Office of National Drug Control Policy			<u>34,469</u>
DEPARTMENT OF HOMELAND SECURITY			
Passed through Iowa Department of Public Defense:			
FEMA - Polk County Hamilton Drainage Watershed	97.039	HMGP-DR-1763-0113-01	1,337,730
FEMA - Mud Creek Property Acquisition	97.039	HMGP-DR-IA-4181-0007-01	-
Emergency Management Performance Grant (EMPG)	97.042	EMPG-16-PT-77	39,000
Homeland Security Grant Program - ARES	97.067	HSGP-14-SHSP-2039	16,586
Homeland Security Grant Program - Central Iowa Underwater Search & Rescue	97.067	HSGP-14-SHSP-2040	69,809
Homeland Security Grant Program - IMT	97.067	HSGP-14-SHSP-34	85,371
Homeland Security Grant Program - IMT	97.067	HSGP-15-SHSP-2007	2,416
Homeland Security Grant Program - WMD Hazmat Task Force	97.067	EMW-2014-SS-00021	117,712
Homeland Security Grant Program - WMD Hazmat Task Force	97.067	HSGP-15-SHSP-2006	-
Total Department of Homeland Security			<u>1,668,624</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS			<u>\$ 12,641,925</u>

* - Total Child Nutrition Cluster \$ 46,407
 ** - Total Aging Cluster \$ 464,195

(1) - The amount reported on the schedule includes \$11,802 passed through to subrecipients.
 (2) - The amount reported on the schedule includes \$94,097 passed through to subrecipients.

POLK COUNTY, IOWA

Notes to the Schedule of Expenditures of Federal Awards Year Ended June 30, 2016

Note 1. Basis of Presentation

The accompanying schedule of expenditures of federal awards includes the federal grant activity of Polk County, Iowa and its discretely presented component unit, Polk County Health Services, Inc., for the year ended June 30, 2016. All federal financial awards received directly from federal agencies, as well as federal financial awards passed through other government agencies expended during the year, is included in the schedule. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, "Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards" (Uniform Guidance). Because the schedule presents only a select portion of the operations of the County, it is not intended to and does not present the financial position, changes in net position or cash flows of the County.

Note 2. Significant Accounting Policies

Revenue from federal awards is recognized when the County has done everything necessary to establish its right to revenue. For governmental funds, revenue from federal grants is recognized when they become both measurable and available. Expenditures allowable in accordance with the grant agreement are recognized when they are incurred and become a demand on current available financial resources. Such expenditures are recognized following the cost principles contained in OMB Circular A-87 or the Uniform Guidance, where certain types of expenditures are not allowed or are limited as to reimbursement.

Note 3. Indirect Cost Rate

The County has elected not to use the 10 percent de minimis indirect cost rate allowed under the Uniform Guidance.

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**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**

Independent Auditor's Report

Board of Supervisors
Polk County, Iowa
Des Moines, Iowa

We have audited, in accordance with the 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, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Polk County, Iowa (the County), as of and for the year ended June 30, 2016, 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 12, 2016.

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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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 or other legal matters about the County's operations for the year ended June 30, 2016, are based exclusively on knowledge obtained from procedures performed during our audit of the financial statements of the County. 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 or other legal matters are not intended to constitute legal interpretations of those statutes.

County's Responses to Findings

The County's response to the finding identified in our audit is described in the accompanying schedule of findings and questioned costs. We did not audit the County's response 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.

RSM US LLP

Des Moines, Iowa
December 12, 2016

**Report on Compliance for Each Major Federal Program and
Report on Internal Control Over Compliance
Required by the Uniform Guidance**

Independent Auditor's Report

Board of Supervisors
Polk County, Iowa
Des Moines, Iowa

Report on Compliance for Each Major Federal Program

We have audited Polk County, Iowa's (the County) compliance with the types of compliance requirements described in the *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, 2016. 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 compliance for 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 the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of 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 complied, in all material respects, with the types of 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, 2016.

Other Matters

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying schedule of findings and questioned costs as items 2016-001 and 2016-002. Our opinion on each major federal program is not modified with respect to these matters.

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

Report on Internal Control Over Compliance

Management of the County is responsible for establishing and maintaining effective internal control over compliance with the types of 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 the major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, 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 type of compliance requirement of a federal program 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 over compliance 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 the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

RSM US LLP

Des Moines, Iowa
December 12, 2016

Polk County, Iowa

**Schedule of Findings and Questioned Costs
Year Ended June 30, 2016**

I. Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

Material weakness(es) identified?

Yes No

Significant deficiencies identified?

Yes None Reported

Noncompliance material to financial statements noted?

Yes No

Federal Awards

Internal control over major programs:

Material weakness(es) identified?

Yes No

Significant deficiencies?

Yes 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
2 CFR 200.516(a)?

Yes No

Identification of major programs:

CFDA Number	Name of Federal Program or Cluster
10.565	Commodity Supplemental Food Program
93.283	Care for Yourself Program
93.568	Low-Income Home Energy Assistance

Dollar threshold used to distinguish between type A and type B programs: \$750,000

Auditee qualified as low-risk auditee?

Yes No

(Continued)

Polk County, Iowa

Schedule of Findings and Questioned Costs (Continued)
Year Ended June 30, 2016

II. Findings Related to the Financial Statement Audit as Required to be Reported in Accordance with Generally Accepted Government Auditing Standards

A. Internal Controls

None reported

B. Compliance Findings

None reported

III. Findings and Questioned Costs for Federal Awards

A. Internal Controls

None reported

B. Compliance Findings

2016-001

U.S. Department of Health and Human Services
Passed through the Iowa Department of Human Rights
Low-Income Home Energy Assistance Program (CFDA 93.568)
Federal Award Year: 2015 - 2016

Finding: The County did not submit its closeout report to the granting agency by the required due date.

Criteria: The Project Grant Agreement (HEAP-15-20S) between Polk County and the Iowa Department of Human Rights requires the County to submit a grant closeout report within 45 days of the contract termination date. The contract termination date was December 31, 2015.

Condition and context: The County submitted its year-end closeout report on February 17, which was one day past due.

Effect: The County is not in compliance with the reporting requirements of this grant program, which could result in potential action by the granting agency.

Cause: The closeout report was not submitted by the due date included in the grant agreement.

Questioned costs: None

Recommendation: We recommend that the County submit all year end closeout reports timely.

Response and corrective action plan: Public Works acknowledges that the report was one day late. Public works intends to comply with all reporting dates as stipulated in the contract.

Polk County, Iowa

**Schedule of Findings and Questioned Costs (Continued)
Year Ended June 30, 2016**

2016-002

**U.S. Department of Health and Human Services
Passed through the Iowa Department of Public Health
Care for Yourself Program (CFDA 93.283)
Federal Award Year: 2015 - 2016**

Finding: The County did not submit its monthly tracking logs to the granting agency by the required due date.

Criteria: The Project Grant Agreement between Polk County and the Iowa Department of Public Health requires the County to submit monthly tracking logs to the Iowa Department of Public Health by the first business day each month.

Condition and context: Of the six tracking log submissions tested, the County submitted each late. The submissions ranged from one to three days late.

Effect: The County is not in compliance with the reporting requirements of this grant program, which could result in potential action by the granting agency.

Cause: Some of the reports were not submitted by the due date included in the grant agreement.

Questioned costs: None

Recommendation: We recommend that the County submit tracking logs timely to the Iowa Department of Public Health.

Response and corrective action plan: The Health Department plans to add new controls to assist in timely submissions in the future.

IV. Other Findings Related to Required Statutory Reporting

IV-A-16

Certified budget: Disbursements during the year ended June 30, 2016 did not exceed the amounts budgeted.

County Assessor's proposed budget: The County Assessor's budget was not proposed until January 8, 2016, which was seven days past due.

Recommendation: The budget must be proposed on or before January 1, 2016, in accordance with Chapter 441.16 of the Code of Iowa.

Response:

County Assessor's Response: This office was unable to complete the proposed budget by January 1, 2016, due to the fact that we did not receive the taxable valuations, used in developing the FY2016-2017 proposed budget, until January 7, 2016. Once these taxable valuations became available, we completed our proposed budget and mailed it to the Conference Board members on January 8, 2016.

County Auditor's Response: County Auditors are not required to furnish valuations to taxing bodies until January of each year. Also, the Assessor proposed budget requirement applies only to expenses.

Polk County, Iowa

**Schedule of Findings and Questioned Costs (Continued)
Year Ended June 30, 2016**

IV-B-16

Questionable expenditures: We noted no expenditures for parties, banquets or other entertainment for employees that we believe may constitute an unlawful expenditure from public funds as this is defined in the Attorney General's opinion dated April 25, 1979.

IV-C-16

Travel expense: No expenditures of County money for travel expenses of spouses of County officials or employees were noted.

IV-D-16

Business transactions: The County represents there are no business transactions between the County and County officials or employees in accordance with Chapter 362.5(10) of the Code of Iowa and none were noted in performing the audit.

IV-E-16

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 the coverage is adequate for current operations.

IV-F-16

Board minutes: No transactions were found that we believe should have been approved in the Board minutes but were not.

IV-G-16

Deposits and investments: No instances of noncompliance with the deposit and investments provisions of Chapters 12B and 12C of the Code of Iowa and the County's investment policy were noted.

IV-H-16

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).

IV-I-16

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 office is administered by an extension council separate and distinct from the County operations and, consequently, is not included in the financial statements.

Total expenditures during the year ended June 30, 2016 for the County Extension Office did not exceed the total amount budgeted.

IV-J-16

Tax increment financing (TIF): For the year ended June 30, 2016, the County Auditor prepared a reconciliation for each City reconciling TIF receipts with total outstanding TIF debt.

Polk County, Iowa

**Corrective Action Plan
Year Ended June 30, 2016**

Comment Number	Comment	Corrective Action Plan	Contact Person	Anticipated Date of Completion
Compliance for Federal Awards				
2016-001	The County did not submit the closeout report to the granting agency by the required due date.	See response and corrective action plan at 2016-001.	Grant Administrator	February 17, 2016
2016-002	The County did not submit its monthly tracking logs to the granting agency by the required due date.	See response and corrective action plan at 2016-002.	Grant Administrator	July 18, 2016
Statutory Reporting				
IV-A-16	The County Assessor's budget was not proposed until January 8, 2016, seven days past due according to Chapter 441.16 of the Code of Iowa.	See response and corrective action plan at IV-A-16.	County Assessor	January 8, 2016

Polk County, Iowa

**Summary Schedule of Prior Audit Findings
Year Ended June 30, 2016**

Comment Number	Comment	Status	Corrective Action or Other Explanation
Compliance for Federal Awards:			
2015-001	The County did not submit one quarterly report to the granting agency timely.	Corrected	
Other Findings Related to Statutory Reporting:			
IV-A-15	Expenditures exceeded appropriation of the Polk County Conservation Board during the year before the May 2015 amendment was passed.	Corrected	