

Polk County, Iowa

Compliance Report
Year Ended June 30, 2020

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RSM US LLP

**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

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, each major fund, and the aggregate discretely presented component units and remaining fund information of Polk County, Iowa (the County), as of and for the year ended June 30, 2020, 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 15, 2020.

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) as a basis for designing 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 financial statements. 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, 2020, 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.

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 15, 2020



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

RSM US LLP

Independent Auditor's Report

Board of Supervisors
Polk County, 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 *OMB 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, 2020. 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, 2020.

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.

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the financial statements of Polk County, Iowa as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the County's financial statements. We issued our report thereon dated December 15, 2020, which contained an unmodified opinion on those financial statements. Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance 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.

RSM US LLP

Des Moines, Iowa

January 20, 2021, except for our report on the Schedule of Expenditures of
Federal Awards, for which the date is December 15, 2020

POLK COUNTY, IOWA

Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2020

Grantor/Program	CFDA Number	Contract Number	Total Federal Expenditures For Fiscal Year 2020
DEPARTMENT OF AGRICULTURE			
Direct Program - Commodity Supplemental Food Distribution	***	10.565	N/A
Direct Program - Emergency Watershed Protection Program		10.923	NR206114XXXXC015
Passed through Iowa Department of Education:			
National School Breakfast Program	*	10.553	77-8810
National School Lunch Program	*	10.555	77-8810
Child Care Food Program		10.558	77-8050
Passed through Iowa Department of Human Services:			
Local Administration Expense Reimbursement		10.561	N/A
Produce Box Project for Seniors		10.561	ACFS 20-109
Commodity Supplemental Food Program	***	10.565	ACFS 14-239
Total Department of Agriculture			<u>3,624,322</u>
DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT			
Direct Program - Lead Hazard Control Grant Program		14.900	IALHB0621-16
Total Department of Housing and Urban Development			<u>755,131</u>
DEPARTMENT OF INTERIOR			
Passed through Iowa Department of Natural Resources:			
Land and Water Conservation Fund Program - LAWCON Jester Park Nature Center		15.916	19-01311
Total Department of Interior			<u>21,810</u>
DEPARTMENT OF JUSTICE			
Direct Program - Equitable Sharing Program		16.922	N/A
Passed through Iowa Department of Justice:			
Crime Victim Assistance (VOCA)		16.575	VS-20-37-HP
Crime Victim Assistance (VOCA)		16.575	VS-19-163-HP
Crime Victim Assistance (VOCA)		16.575	VS-20-65-SAC
Crime Victim Assistance (VOCA)		16.575	VS-19-75-SAC
Crime Victim Assistance (VOCA)		16.575	VP-20-137-VWC
Passed through Governor's Office of Drug Control Policy:			
Residential Substance Abuse Treatment for State Prisoners		16.593	17-RSAT-01
Residential Substance Abuse Treatment for State Prisoners		16.593	18-RSAT-01
Methamphetamine Drug Hot Spots Grant Program	(1)	16.710	18-CAMP-12
Methamphetamine Drug Hot Spots Grant Program	(2)	16.710	18-HEROIN-5
Edward Byrne Justice Assistance Grant (JAG)	(3)	16.738	17-JAG-298199
Edward Byrne Justice Assistance Grant (JAG) LLEBG '18		16.738	2018-DJ-BX-0491
Edward Byrne Justice Assistance Grant (JAG) LLEBG '19		16.738	2019-DJ-BX-0652
Edward Byrne Justice Assistance Grant (JAG) Mentor Advantage		16.738	17-JAG-300967
Total Department of Justice			<u>1,320,281</u>
DEPARTMENT OF TRANSPORTATION			
Passed through Iowa Department of Transportation:			
Highway Planning and Construction - BR#6066A		20.205	1-17-HBP-S-4
Passed through Iowa Department of Public Safety/Governor's Traffic Safety Bureau:			
Alcohol Incentive Grant		20.600	PAP 19-402-MOPT Task 21
Alcohol Incentive Grant		20.600	PAP 20-402-MOPT Task 34
Passed through Iowa Department of Public Defense:			
2019 HMEP		20.703	HMEP-19-11
Total Department of Transportation			<u>33,605</u>
ENVIRONMENTAL PROTECTION AGENCY			
Passed through Iowa Department of Natural Resources:			
Air Quality Control Implementation Plan Agreement		66.034	20ESDAQBCPaul-0002
Beaver Creek Watershed Management		66.454	18ESDWQBkamen-0001
Beaver Creek Watershed Management		66.460	18ESDWQBkamen-0001
Easter Lake South Entrance Stabilization		66.460	ESDWQBKAMEN0003
Air Quality Control Implementation Plan Agreement		66.605	20ESDAQBCPaul-0002
Total Environmental Protection Agency			<u>321,192</u>
DEPARTMENT OF ENERGY			
Passed through Iowa Department of Human Rights:			
Weatherization Assistance for Low-Income Persons		81.042	DOE-19-20S
Weatherization Assistance for Low-Income Persons		81.042	DOE-20-20S
Total Department of Energy			<u>242,981</u>

(continued)

POLK COUNTY, IOWA

Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2020

Grantor/Program	CFDA Number	Contract Number	Total Federal Expenditures For Fiscal Year 2020
DEPARTMENT OF HEALTH AND HUMAN SERVICES			
Passed through Aging Resource of Central Iowa:			
Title IIIB - Transportation	** 93.044	N/A	\$ 65,100
Title IIIB - Assisted Transportation	** 93.044	N/A	7,905
Title IIIB - Well Elderly Clinic	** 93.044	N/A	16,740
Title IIIB - Advocacy/Counseling	** 93.044	N/A	17,298
Title IIIC-1 - Nutrition	** 93.045	N/A	524,266
Nutrition Services Incentive Program - USDA Cash	** 93.053	N/A	106,025
Passed through Iowa Department of Human Rights:			
Family Development and Self Sufficiency	93.558	FaDSS-20-20	332,315
Low-Income Home Energy Assistance	93.568	HEAP-19-20S	633,375
Low-Income Home Energy Assistance	93.568	HEAP-20-20S	210,054
Passed through Iowa Department of Human Services:			
Local Administration Expense Reimbursement	93.090	N/A	71
Local Administration Expense Reimbursement	93.566	N/A	249
Local Administration Expense Reimbursement	93.596	N/A	96,215
Local Administration Expense Reimbursement	93.658	N/A	137,219
Local Administration Expense Reimbursement	93.659	N/A	55,695
Local Administration Expense Reimbursement	93.667	N/A	118,319
Local Administration Expense Reimbursement	93.767	N/A	13,927
Local Administration Expense Reimbursement	93.778	N/A	615,090
Passed through Iowa Department of Public Health:			
All-Hazard Emergency Preparedness and Response System Development	93.074	5880BT08	715,243
COVID-19 - All-Hazard Emergency Preparedness and Response System Development	93.074	5880BT08	47,632
All-Hazard Emergency Preparedness and Response System Development	93.074	5880BT09	8,679
COVID-19 - Emergency Response Multi-Year Program	93.074	5885BT477	145,202
Emergency Response Multi-Year Program	93.074	5885BT477	15,000
Tuberculosis Elimination	93.116	MOU-2020-TB01	-
Tuberculosis Elimination	93.116	MOU-2019-TB01	6,850
I-4 Project	93.268	5880I473	32,036
Care for Yourself Program	93.283	5880NB27	137,700
Care for Yourself Program - Wise Woman	93.283	5880NB20WW	55,225
Care for Yourself Program - Wise Woman	93.283	5889NB20WW	3,375
Ebola Virus Disease Preparedness and Response	93.817	5885BT509	2,042
HIV-CTR & Hepatitis	93.917	5889AP10	71,177
HIV-CTR & Hepatitis	93.917	5880AP10	53,389
HIV-CTR & Hepatitis	93.940	5889AP10	9,998
HIV-CTR & Hepatitis	93.940	5880AP10	17,610
Total Department of Health and Human Services			<u>4,271,021</u>
DEPARTMENT OF HOMELAND SECURITY			
Passed through Iowa Department of Public Defense:			
FEMA 2019 Floods - Public Works	97.036	FEMA-4421-DR-IA	172,904
FEMA 2019 Floods - Conservation	97.036	FEMA-4421-DR-IA	107,866
FEMA 2018 Floods - Public Works	97.036	FEMA-4386-DR-IA	176,190
FEMA 2018 Floods - Conservation	97.036	FEMA-4386-DR-IA	178,061
Multi-Jurisdictional Hazard Mitigation Planning	97.039	F9-S346	22,500
Emergency Management Performance Grant (EMPG)	97.042	EMPG-18-PT-77	39,000
Total Department of Homeland Security			<u>696,521</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS			<u><u>\$ 11,286,864</u></u>

* - Total Child Nutrition Cluster \$ 52,972
 ** - Total Aging Cluster \$ 737,334
 *** - Total Food Distribution Cluster 1,035,058

- (1) - The amount reported on the schedule includes \$17,599 passed through to subrecipients.
- (2) - The amount reported on the schedule includes \$8,088 passed through to subrecipients.
- (3) - The amount reported on the schedule includes \$105,764 passed through to subrecipients.

See notes to schedule of expenditures of federal awards.

(concluded)

Polk County, Iowa

**Notes to the Schedule of Expenditures of Federal Awards
Year Ended June 30, 2020**

Note 1. Basis of Presentation

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of Polk County, Iowa and its discretely presented component unit, Polk County Health Services, Inc., for the year ended June 30, 2020. 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 the 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 selected portion of the operations of the County, it is not intended to and does not present the financial position, change in net positions 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 rights 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 agreements 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 the Uniform Guidance, wherein certain types of expenses are not allowable or are limited as to reimbursement.

Note 3. Indirect Cost Rate

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

Note 4. Noncash Assistance

The Commodity Supplemental Food Distribution Program—Direct—CFDA# 10.565 does not involve cash awards. This award is received in donated commodities. The value of the commodities distributed during the fiscal year ended June 30, 2020, was \$969,429. As of June 30, 2020, the County had commodities on hand with a value of \$162,273.

Polk County, Iowa

**Schedule of Findings and Questioned Costs
Year Ended June 30, 2020**

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
10.558	Child Care Food Program
93.074	Emergency Preparedness, COVID-19 Emergency preparedness
97.036	Federal Emergency Management Agency (FEMA)

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, 2020**

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

None reported

IV. Other Findings Related to Required Statutory Reporting

IV-A-20

Certified budget: Disbursement during the year ended June 30, 2020 did not exceed the amounts budgeted.

IV-B-20

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-20

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

IV-D-20

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-20

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.

Polk County, Iowa

**Schedule of Findings and Questioned Costs (Continued)
Year Ended June 30, 2020**

IV-F-20

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

IV-G-20

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-20

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-20

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, 2020 for the County Extension Office did not exceed the total amount budgeted.

IV-J-20

Tax increment financing (TIF): For the year ended June 30, 2020, the County Auditor prepared a reconciliation for each City reconciling TIF receipts with total outstanding TIF debt.

Polk County, Iowa

**Summary Schedule of Prior Audit Findings
Year Ended June 30, 2020**

The prior year Single Audit disclosed no findings in the *Schedule of Findings and Questioned Costs* and no uncorrected or unresolved findings exist from the prior audit's *Summary of Prior Audit Findings*.