

**LOUISVILLE/JEFFERSON COUNTY  
METRO GOVERNMENT**  
Louisville, Kentucky

**SINGLE AUDIT REPORT  
IN ACCORDANCE WITH UNIFORM GUIDANCE AND  
REPORT ON COMPLIANCE WITH KENTUCKIANA REGIONAL  
PLANNING AND DEVELOPMENT AGENCY CONTRACT**  
June 30, 2017

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PLANNING AND DEVELOPMENT AGENCY CONTRACT

June 30, 2017

CONTENTS

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 <i>GOVERNMENT AUDITING STANDARDS</i> .....	1
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 THE UNIFORM GUIDANCE .....	3
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS.....	6
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS .....	16
SCHEDULE OF FINDINGS AND QUESTIONED COSTS .....	18
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS .....	19
INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR KENTUCKIANA REGIONAL PLANNING AND DEVELOPMENT AGENCY CONTRACT NUMBER P0N2-725-16000012031 .....	20
ATTACHMENT A – KIPDA MONTHLY SERVICE PROVIDER FINANCIAL REPORT – TITLE III-C FISCAL YEAR 2017 .....	22

**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**

Honorable Mayor Greg Fischer and  
The Louisville Metro Council  
Louisville, Kentucky

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 aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Louisville/Jefferson County Metro Government ("Metro Government") as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise Metro Government's basic financial statements, and have issued our report thereon dated December 22, 2017. Our report includes a reference to other auditors who audited the financial statements of the Waterfront Development Corporation, the Kentucky Science Center, Inc., KentuckianaWorks, Family Health Centers, Inc., a component unit of the Board of Health, and the Louisville Metro Affordable Housing Trust Fund, Inc. as described in our report on Metro Government's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Metro Government'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 Metro Government's internal control. Accordingly, we do not express an opinion on the effectiveness of Metro Government'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 Metro Government's financial statements are free of 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*.

## Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

  
Crowe Horwath LLP

Louisville, Kentucky  
February 19, 2018

**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 AS REQUIRED BY THE UNIFORM GUIDANCE**

Honorable Mayor Greg Fischer and  
The Louisville Metro Council  
Louisville, Kentucky

**Report on Compliance for Each Major Federal Program**

We have audited Louisville/Jefferson County Metro Government's ("Metro Government") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Metro Government's major federal programs for the year ended June 30, 2017. Metro Government's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Metro Government's basic financial statements include the operations of the Transit Authority of River City ("TARC"), KentuckianaWorks, Family Health Centers, Inc. and the Louisville and Jefferson County Metropolitan Sewer District ("MSD"), discretely presented component units, which expended \$24,453,448, \$8,971,074, \$7,518,914 and \$2,803,838 in federal awards, respectively, which is not included in Metro Government's schedule of expenditures of federal awards during the year ended June 30, 2017. Our audit, described below, did not include the operations of TARC, KentuckianaWorks, Family Health Centers, Inc. and MSD because the entities have separate audits performed in accordance with Uniform Guidance.

***Management's Responsibility***

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

***Auditor's Responsibility***

Our responsibility is to express an opinion on compliance for each of Metro Government'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 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 Metro Government'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 Metro Government's compliance.

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### ***Opinion on Each Major Federal Program***

In our opinion, Metro Government 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, 2017.

### **Report on Internal Control Over Compliance**

Management of Metro Government 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 Metro Government'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 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 Metro Government'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 Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

### **Report on Schedule of Expenditures of Federal Awards Required by Uniform Guidance**

We have audited the financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Metro Government as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise Metro Government's basic financial statements. We issued our report thereon dated December 22, 2017, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Uniform Guidance and is not a required part of the basic 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 basic 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 basic financial statements or to the basic 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 expenditure of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

*Crowe Horwath LLP*  
Crowe Horwath LLP

Louisville, Kentucky  
February 19, 2018

LOUISVILLE/JEFFERSON COUNTY METRO GOVERNMENT  
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
 Year ended June 30, 2017

<u>Federal Agency</u>	<u>CFDA Number</u>	<u>Pass-Through Number</u>	<u>Federal Expenditures</u>	<u>Provided to Subrecipients</u>
<b>U.S. Department of Agriculture</b>				
<b>Direct Programs:</b>				
Farmers' Market and Local Food Promotion Program	10.168		\$ 33,837	\$ 8,692
Community Forest and Open Space Conversation Program (CFP)	10.689		153,000	-
Rural Development Cooperative Agreement Program	10.890		<u>29,174</u>	<u>-</u>
			<u>216,011</u>	<u>8,692</u>
<b>Pass-Through:</b>				
<i>Kentucky Cabinet for Health and Family Services</i>				
Special Supplemental Nutrition Program for Women, Infants, and Children	10.557	FY17 KY State	<u>2,374,923</u>	<u>-</u>
			<u>2,374,923</u>	<u>-</u>
<b>Total U.S. Department of Agriculture</b>			<u>2,590,934</u>	<u>8,692</u>
<b>U.S. Department of Commerce</b>				
<b>Direct Programs:</b>				
Economic Development Cluster: Economic Adjustment Assistance	11.307		<u>1,958,082</u>	<u>-</u>
<b>Total U.S. Department of Commerce</b>			<u>1,958,082</u>	<u>-</u>

See related notes to the Schedule of Expenditures of Federal Awards.



LOUISVILLE/JEFFERSON COUNTY METRO GOVERNMENT  
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
 Year ended June 30, 2017

<u>Federal Agency</u>	<u>CFDA Number</u>	<u>Pass-Through Number</u>	<u>Federal Expenditures</u>	<u>Provided to Subrecipients</u>
<b>U.S. Department of Housing and Urban Development (HUD)</b>				
<b>Direct Programs:</b>				
CDBG - Entitlement Grants Cluster:				
Community Development Block Grant/ Entitlement Grants	14.218		\$ 12,043,637	\$ 1,559,114
Emergency Solutions Grant Program	14.231		959,615	657,659
Shelter Plus Care	14.238		83,616	-
Home Investment Partnership Program	14.239		1,939,231	499,948
Housing Opportunities for Persons with AIDS (HOPWA)	14.241		559,466	548,235
Continuum of Care Program	14.267		2,492,070	105,036
Fair Housing Assistance Program – State and Local	14.401		162,963	-
Lead - Based Paint Hazard Control in Privately-Owned Housing	14.900		415,626	-
			<u>18,656,224</u>	<u>3,369,992</u>
<b>Pass Through:</b>				
<i>Kentucky Department of Local Government</i>				
Community Development Block Grants/ State's Program and Non-Entitlement Grants in Hawaii	14.228	17N-052	45,414	-
			<u>45,414</u>	<u>-</u>
<b>Total U.S. Department of Housing and Urban Development (HUD)</b>			<u>18,701,638</u>	<u>3,369,992</u>
<b>U.S. Department of the Interior</b>				
<b>Pass Through:</b>				
<i>Kentucky Heritage Council</i>				
Historic Preservation Fund Grants- In-Aid	15.904	KY-15-109	24,999	-
<b>Total U.S. Department of the Interior</b>			<u>24,999</u>	<u>-</u>

See related notes to the Schedule of Expenditures of Federal Awards.

LOUISVILLE/JEFFERSON COUNTY METRO GOVERNMENT  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
Year ended June 30, 2017

<u>Federal Agency</u>	<u>CFDA Number</u>	<u>Pass-Through Number</u>	<u>Federal Expenditures</u>	<u>Provided to Subrecipients</u>
<b>U.S. Department of Justice</b>				
<b>Direct Programs:</b>				
Justice Systems Response to Families	16.021		\$ 134,841	\$ 133,558
Community-Based Violence Prevention Program	16.123		182,778	122,006
Grants to Encourage Arrest Policies and Enforcement of Protection Orders Program	16.590		29,666	-
State Criminal Alien Assistance Program	16.606		68,898	-
Public Safety Partnership and Community Policing Grants	16.710		286,996	-
Edward Byrne Memorial Justice Assistance Grant (JAG) Program	16.738		251,435	-
Criminal and Juvenile Justice and Mental Health Collaboration Program	16.745		48,072	48,072
Second Chance Act Reentry Initiative	16.812		127,954	127,954
Equitable Sharing Program	16.922		<u>1,286,962</u>	<u>-</u>
			<u>2,417,602</u>	<u>431,590</u>
<b>Pass-Through:</b>				
<i>Office of Juvenile Justice and Delinquency Prevention</i>				
Juvenile Accountability Block Grants	16.523	JABG 2012	3,401	-
<i>Kentucky Department of Juvenile Justice</i>				
Juvenile Justice and Delinquency Prevention	16.540	Title II DMC 2013-JF-FX-0051	3,150	-
<i>Kentucky Justice and Public Safety Cabinet</i>				
Edward Byrne Memorial Justice Assistance Grant (JAG) Program	16.738	2016-JAG-Louisville-01138	<u>43,576</u>	<u>-</u>
			<u>50,127</u>	<u>-</u>
<b>Total U.S. Department of Justice</b>			<u>2,467,729</u>	<u>431,590</u>

See related notes to the Schedule of Expenditures of Federal Awards.

LOUISVILLE/JEFFERSON COUNTY METRO GOVERNMENT  
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
 Year ended June 30, 2017

<u>Federal Agency</u>	<u>CFDA Number</u>	<u>Pass-Through Number</u>	<u>Federal Expenditures</u>	<u>Provided to Subrecipients</u>
<b>U.S. Department of Labor</b>				
<b>Pass-Through:</b>				
<i>National Disability Institute</i>				
Disability Employment Policy Development	17.720	OD-23863-12-75-4-11	\$ 23,769	\$ -
<b>Total U.S. Department of Labor</b>			<u>23,769</u>	<u>-</u>
<b>U.S. Department of Transportation</b>				
<b>Pass-Through:</b>				
<i>Kentucky Transportation Cabinet</i>				
Highway Safety Cluster:				
State and Community Highway Safety	20.600	Various	78,371	-
National Priority Safety Programs	20.616	Various	<u>72,288</u>	<u>-</u>
Total Highway Safety Cluster			<u>150,659</u>	<u>-</u>
Highway Planning and Construction Cluster:				
Highway Planning and Construction	20.205	Various	3,313,428	-
National Highway Traffic Safety Administration (NHTSA) Discretionary Safety Grants and Cooperative Agreements	20.614	PO2-625-1400006020 1	59,035	-
National Infrastructure Investments Tiger Discretionary Grants	20.933	PO2-625-1700000799	3,430,000	-
<i>Kentuckiana Regional Planning and Development Agency</i>				
Highway Training and Education	20.215	MOA	198,244	-
<i>Kentucky Justice and Public Safety Cabinet</i>				
Motor Carrier Safety Assistance	20.218	MOA	73,650	-
<b>Total U.S. Department of Transportation</b>			<u>7,225,016</u>	<u>-</u>

See related notes to the Schedule of Expenditures of Federal Awards.

LOUISVILLE/JEFFERSON COUNTY METRO GOVERNMENT  
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
 Year ended June 30, 2017

<u>Federal Agency</u>	<u>CFDA Number</u>	<u>Pass-Through Number</u>	<u>Federal Expenditures</u>	<u>Provided to Subrecipients</u>
<b>U.S. Department of Treasury</b>				
<b>Direct Programs:</b>				
Equitable Sharing	21.016		\$ 169,252	\$ -
<b>Total U.S. Department of Treasury</b>			<u>169,252</u>	<u>-</u>
<b>Environmental Protection Agency</b>				
<b>Direct Programs:</b>				
Air Pollution Control Program Support Surveys, Studies, Research, Investigations, Demonstrations, and Special Purpose Activities Relating to the Clean Air Act	66.001		718,620	-
	66.034		<u>73,020</u>	<u>-</u>
			<u>791,640</u>	<u>-</u>
<b>Environmental Protection Agency</b>				
<b>Pass-Through:</b>				
<i>Kentucky Cabinet for Health and Family Services</i>				
State Indoor Radon Grants	66.032	MOA	33,369	
<i>The Kentucky Department for Environmental Protection</i>				
Brownfields Assessment and Cleanup Cooperative Agreements	66.818	PON2-129-1600001926 v 1	<u>50,000</u>	-
			<u>83,369</u>	<u>-</u>
<b>Total Environmental Protection Agency</b>			<u>875,009</u>	<u>-</u>

See related notes to the Schedule of Expenditures of Federal Awards.

LOUISVILLE/JEFFERSON COUNTY METRO GOVERNMENT  
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
 Year ended June 30, 2017

<u>Federal Agency</u>	<u>CFDA Number</u>	<u>Pass-Through Number</u>	<u>Federal Expenditures</u>	<u>Provided to Subrecipients</u>
<b>U.S. Department of Energy</b>				
<b>Pass-Through:</b>				
<i>Community Action Kentucky/Kentucky Housing Corporation</i>				
Weatherization Assistance for Low- Income Persons	81.042	DOE WX-23	\$ 168,382	\$ -
<b>Total U.S. Department of Energy</b>			<u>168,382</u>	<u>-</u>
<b>U.S. Department of Health and Human Services</b>				
<b>Direct Programs:</b>				
Special Programs for the Aging – Title IV and Title II – Discretionary Projects	93.048		254,177	171,936
Health Start Initiative	93.926		<u>1,166,666</u>	<u>-</u>
			<u>1,420,843</u>	<u>171,936</u>
<b>U.S. Department of Health and Human Services</b>				
<b>Pass-Through:</b>				
<i>Kentuckiana Regional Planning and Development Agency</i>				
Aging Cluster:				
Special Programs for the Aging – Title III, Part B - Grants for Supportive Services and Senior Centers	93.044	KIPDA-FY2017-1023-1	6,202	-
Special Programs for the Aging – Title III, Part C - Nutrition Services	93.045	KIPDA-FY2017-1011-1	<u>421,919</u>	<u>50,064</u>
Total Aging Cluster:			<u>428,121</u>	<u>50,064</u>
<i>Kentucky Cabinet for Health and Family Services</i>				
Environmental Public Health and Emergency Response	93.070	FY17 KY State MOA	11,612	-

See related notes to the Schedule of Expenditures of Federal Awards.

LOUISVILLE/JEFFERSON COUNTY METRO GOVERNMENT  
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
 Year ended June 30, 2017

<u>Federal Agency</u>	<u>CFDA Number</u>	<u>Pass-Through Number</u>	<u>Federal Expenditures</u>	<u>Provided to Subrecipients</u>
<b>U.S. Department of Health and Human Services (Continued)</b>				
<b>Pass-Through (Continued):</b>				
<i>Kentucky Cabinet for Health and Family Services</i>				
Hospital Preparedness Program (HPP) and Public Health Emergency Preparedness (PHEP) Aligned Cooperative Agreements Projects Grants and Cooperative Agreements For Tuberculosis Control Programs	93.074	FY17 KY State MOA	\$ 95,894	\$ -
Family Planning Services	93.116	FY17 KY State MOA	90,004	-
Immunization Cooperative Agreements	93.217	FY17 KY State MOA	273,508	-
Centers for Disease Control and Prevention Investigations and Technical Assistance	93.268	FY17 KY State MOA	10,402	-
Child Lead Poisoning Prevention Surveillance financed in part by Prevention and Public Health (PPHF) Program	93.283	FY17 KY State MOA	614,872	-
State and Local Public Health Actions To Prevent Obesity, Diabetes, Heart Disease and Stroke (PPHF)	93.753	FY17 KY State MOA	126,888	-
National Bioterrorism Hospital Preparedness Program	93.757	FY17 KY State MOA	13,000	-
Cancer Prevention and Control Programs For State, Territorial and Tribal Organizations	93.889	FY17 KY State MOA	66,400	-
HIV Prevention Activities Health Department Based	93.898	FY17 KY State MOA	31,170	-
Human Immunodeficiency Virus (HIV)/ Acquired Immunodeficiency Virus Syndrome (AIDS) Surveillance	93.940	FY17 KY State MOA	27,829	-
Block Grants for Prevention and Treatment of Substance Abuse	93.944	FY17 KY State MOA	53,963	-
	93.959	PON2 729 160000 1689 1	500,000	-

See related notes to the Schedule of Expenditures of Federal Awards.

LOUISVILLE/JEFFERSON COUNTY METRO GOVERNMENT  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
Year ended June 30, 2017

<u>Federal Agency</u>	<u>CFDA Number</u>	<u>Pass-Through Number</u>	<u>Federal Expenditures</u>	<u>Provided to Subrecipients</u>
<b>U.S. Department of Health and Human Services (Continued)</b>				
<b>Pass-Through (Continued):</b>				
<i>Kentucky Cabinet for Health and Family Services</i>				
Preventive Health and Health Services Block Grant	93.991	FY17 KY State MOA	\$ 61,268	\$ -
Maternal and Child Health Services Block Grant to the States	93.994	FY17 KY State MOA	226,437	-
<i>Association of Food and Drug Officials</i>				
Food and Drug Administration Research	93.103	G-MP-1510-03045	24,009	-
<i>Community Action Kentucky/Kentucky Housing Corporation</i>				
Low-Income Home Energy Assistance	93.568	Various	4,407,191	-
<i>Kentucky Cabinet for Health and Family Services</i>				
Community Services Block Grant	93.569	PON2 736 1600001461	<u>1,718,869</u>	<u>-</u>
			<u>8,781,437</u>	<u>50,064</u>
<b>Total U.S. Department of Health and Human Services</b>			<u>10,202,280</u>	<u>222,000</u>
<b>Corporation for National and Community Service</b>				
<b>Direct Programs:</b>				
Retired and Senior Volunteer Program	94.002		111,910	-
Foster Grandparent/Senior Companion Cluster: Foster Grandparent Program	94.011		<u>590,461</u>	<u>-</u>
			<u>702,371</u>	<u>-</u>

See related notes to the Schedule of Expenditures of Federal Awards.

LOUISVILLE/JEFFERSON COUNTY METRO GOVERNMENT  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
Year ended June 30, 2017

<u>Federal Agency</u>	<u>CFDA Number</u>	<u>Pass-Through Number</u>	<u>Federal Expenditures</u>	<u>Provided to Subrecipients</u>
<b>Corporation for National and Community Service (Continued)</b>				
<b>Pass-Through:</b>				
<i>Cabinet for Health &amp; Family Services AmeriCorps State and National Service for Peace</i>	94.006	PON2 730 1700000014 1	\$ 75,741	\$ -
<i>September 11<sup>th</sup> National Day of Service and Remembrance Grants</i>	94.012	N/A	1,070	-
<i>Nonprofit Finance Fund Social Innovation Fund Pay for Success</i>	94.024	2017 SIF 17	<u>24,663</u>	<u>-</u>
			<u>101,474</u>	<u>-</u>
<b>Total Corporation for National and Community Service</b>			<u>803,845</u>	<u>-</u>
<b>Executive Office of the President</b>				
<b>Pass-Through:</b>				
<i>Appalachia HIDTA High Intensity Drug Trafficking Areas Program</i>	95.001	Various	<u>73,445</u>	<u>-</u>
<b>Total Executive Office of the President</b>			<u>73,445</u>	<u>-</u>
<b>Social Security Administration</b>				
<b>Pass-Through:</b>				
<i>State of Kentucky Disability Insurance/SSI Cluster: High Intensity Drug Trafficking Areas Program</i>	96.001	N/A	<u>58,752</u>	<u>-</u>
<b>Total Social Security Administration</b>			<u>58,752</u>	<u>-</u>

See related notes to the Schedule of Expenditures of Federal Awards.



LOUISVILLE/JEFFERSON COUNTY METRO GOVERNMENT  
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
 Year ended June 30, 2017

<u>Federal Agency</u>	<u>CFDA Number</u>	<u>Pass-Through Number</u>	<u>Federal Expenditures</u>	<u>Provided to Subrecipients</u>
<b>U.S. Department of Homeland Security</b>				
<b>Direct Programs:</b>				
Assistance to Firefighters Grant	97.044		\$ 170,174	\$ -
Port Security Grant Program	97.056		<u>83,327</u>	<u>-</u>
			<u>253,501</u>	<u>-</u>
<b>Pass-Through:</b>				
<i>Kentucky Emergency Management</i>				
Emergency Management Performance Grants	97.042	Various	153,404	-
<i>Kentucky Office of Homeland Security</i>				
Homeland Security Grant Program	97.067	Various	<u>162,200</u>	<u>-</u>
			<u>315,604</u>	<u>-</u>
<b>Total for U.S. Department of Homeland Security</b>			<u>569,105</u>	<u>-</u>
<b>Total for Schedule of Expenditures of Federal Awards</b>			<u>\$ 45,912,237</u>	<u>\$ 4,032,274</u>
 <b>Subtotals of Multiple Awards/CFDA Numbers</b>				
Grant (JAG) Program	16.738		<u>\$ 295,011</u>	

See related notes to the Schedule of Expenditures of Federal Awards.

LOUISVILLE/JEFFERSON COUNTY METRO GOVERNMENT  
 NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
 Year ended June 30, 2017

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**NOTE 1 – PURPOSE OF THE SCHEDULE AND SIGNIFICANT ACCOUNTING POLICIES**

**Basis of Presentation:** Uniform Guidance requires a Schedule of Expenditures of Federal Awards ("SEFA") showing each federal financial assistance program as identified in the Catalog of Federal Domestic Assistance ("CFDA"). The accompanying schedule includes federal grant activity for the Louisville/Jefferson County Metro Government ("Metro Government"), and is presented on the modified accrual basis of accounting. Amounts are presented net of program income, if applicable.

The basic financial statements of Metro Government are presented on the modified accrual basis of accounting for the governmental fund financial statements and the accrual basis of accounting for the government-wide, proprietary fund, and fiduciary fund financial statements. Therefore, the SEFA may not be directly traceable to the basic financial statements in all cases.

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). Metro Government has elected not to use the 10% de minimus indirect cost rate as allowed under Uniform Guidance.

Such expenditures are recognized following, as applicable, either the cost principles in OMB Circular A- 87, Cost Principles for State and Local Governments, or the cost principles contained in Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

**NOTE 2 – PROGRAMS FROM MULTIPLE FUNDING SOURCES**

Uniform Guidance Part 200, Subpart A defines a recipient as "a non-federal entity that expends federal awards received directly from a federal awarding agency to carry out a federal program" and a pass-through entity as "a non-federal entity that provides a federal award to a sub-recipient to carry out a federal program."

Federal program funds can be received directly from the federal government or passed through from another entity. Below is a list of federal programs that are funded from more than a single funding source. They may be either (1) multiple passed through agencies, or (2) both direct and passed through. All other federal programs listed on the SEFA are from a single source, and therefore the program totals are evident in the SEFA.

<u>CFDA</u> <u>No.</u>	<u>Program</u>	<u>Received From</u>	<u>Through</u> <u>(Grantor No.)</u>	<u>Expenditures</u>
16.738	Edward Byrne Memorial Justice Assistant Grant (JAG) Program	U.S. Department of Justice	Direct	\$ 251,435
16.738	Edward Byrne Memorial Justice Assistant Grant (JAG) Program	Kentucky Justice and Public Safety Cabinet	Pass-Through	<u>43,576</u>
				<u>\$ 295,011</u>

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LOUISVILLE/JEFFERSON COUNTY METRO GOVERNMENT  
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
Year ended June 30, 2017

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**NOTE 3 – ECONOMIC ADJUSTMENT ASSISTANCE PROGRAM**

Metro Government has an EDA revolving loan fund (RLF) under the Economic Adjustment Assistance Program, CFDA 11.307. According to the OMB Compliance Supplement, for purposes of completing the SEFA, each EDA RLF (CFDA 11.307) should be shown as a separate line item calculated as follows:

1. Balance of RLF loans outstanding at the end of the recipient's fiscal year, *plus*
2. Cash and investment balances in the RLF at the end of the recipient's fiscal year, *plus*
3. Administrative expenses paid out of the RLF income during the recipient's fiscal year, *plus*
4. The unpaid principal of all loans written off during the recipient's fiscal year; and then *multiply this sum (1+2+3+4) by*
5. The Federal share of the RLF. The Federal share is defined as the Federal participation rate (or the Federal grant rate) as specified in the grant award.

The calculation to arrive at the RLF amount shown on the SEFA as of June 30, 2017 is as follows:

RLF Loans Outstanding	\$ 1,534,977
RLF Cash/Investment Balance	975,385
Administrative Expenses FY 17	-
Unpaid Principal Written Off FY 17	-
	<hr/>
Total	<u>\$ 2,510,362</u>
Federal Share	78%
RLF Federal Expenditures	<u>\$ 1,958,082</u>

LOUISVILLE/JEFFERSON COUNTY METRO GOVERNMENT  
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
 Year ended June 30, 2017

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**PART I: SUMMARY OF AUDITORS' RESULTS**

**Financial Statements**

Type of auditors' report issued	<u>Unmodified</u>			
Internal control over financial reporting:				
Material weakness(es) identified?	_____	Yes	<u>  X  </u>	No
Significant deficiency(ies) identified?	_____	Yes	<u>  X  </u>	None Reported
Noncompliance material to financial statements noted?	_____	Yes	<u>  X  </u>	No

**Federal Awards**

Internal control over major programs:				
Material weakness(es) identified?	_____	Yes	<u>  X  </u>	No
Significant deficiency(ies) identified?	_____	Yes	<u>  X  </u>	None Reported
Type of auditors' report issued on compliance for major programs	<u>Unmodified</u>			
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?	_____	Yes	<u>  X  </u>	No

Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
14.218	Community Development Block Grant/Entitlement Grants
14.267	Continuum of Care
20.933	National Infrastructure Investments Tiger Discretionary Grants
93.569	Community Services Block Grant

Dollar threshold used to distinguish between Type A and Type B programs	<u>\$ 1,377,367</u>		
Auditee qualified as low-risk auditee?	<u>  X  </u>	Yes	_____ No

**PART II: FINANCIAL STATEMENT FINDINGS AND QUESTIONED COSTS**

None

**PART III: FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS**

None

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LOUISVILLE/JEFFERSON COUNTY METRO GOVERNMENT  
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS  
Year ended June 30, 2017

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**SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS**

**FINANCIAL STATEMENT AUDIT**

None

**MAJOR FEDERAL AWARD PROGRAMS AUDIT**

None

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR  
KENTUCKIANA REGIONAL PLANNING AND DEVELOPMENT AGENCY  
CONTRACT NUMBER P0N2-725-16000012031**

Honorable Mayor Greg Fischer and  
The Louisville Metro Council  
Louisville, Kentucky

**Report on Compliance**

We have audited the compliance of the Louisville/Jefferson County Metro Government (“Metro Government”) with the Kentuckiana Regional Planning & Development Agency (KIPDA) Sub-Award Number KIPDA-FY2017-1011-1 (Metro) with the types of compliance requirements described in Section II E of the contract that could have a direct and material effect on the KIPDA Program for the year ended June 30, 2017.

***Management's Responsibility***

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to the KIPDA Program.

***Auditor's Responsibility***

Our responsibility is to express an opinion on compliance with the KIPDA contract 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 and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States. Those standards 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 the KIPDA contract occurred. An audit includes examining, on a test basis, evidence about Metro Government’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 the KIPDA Program. However, our audit does not provide a legal determination on Metro Government’s compliance with those requirements.

***Opinion on the KIPDA Program***

In our opinion, Metro Government complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its KIPDA Program for the year ended June 30, 2017.

### **Report on Supplementary Information**

We have audited the financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Metro Government as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise Metro Government's basic financial statements. We issued our report thereon dated December 22, 2017, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements.

The accompanying KIPDA Monthly Service Provider Financial Report – Title III-C Fiscal Year 2017 (Attachment A) is presented for purposes of additional analysis and is not a required part of the basic 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 basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the KIPDA Monthly Service Provider Financial Report – Title III-C Fiscal Year 2017 is fairly stated in all material respects in relation to the basic financial statements as a whole.

  
Crowe Horwath LLP

Louisville, Kentucky  
February 19, 2018

LOUISVILLE/JEFFERSON COUNTY METRO GOVERNMENT  
ATTACHMENT A  
SUPPLEMENTARY INFORMATION  
KIPDA MONTHLY SERVICE PROVIDER FINANCIAL REPORT - TITLE III-C FISCAL YEAR 2017

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Service Category	Units		Unit Price	Current Month	Year To Date Amount	Unduplicated Clients YTD
	Current Month	Year to Date				
Title III-C1 Food Service/Meal Delivery	7,768	89,352	\$ 2.89	\$ 22,450	\$ 258,227	1,410
Title III-C2 Food Service/Meal Delivery	10,426	110,504	3.60	37,534	397,814	688
	TITLE C1		TITLE C2			
	Amount This Report	Year to Date	Amount This Report	Year to Date		
Gross Total Amount	\$ 22,450	\$ 258,227	\$ 37,534	\$ 397,814		
Program Income (NSIP Meal Service)	<u>2,392</u>	<u>50,534</u>	<u>7,000</u>	<u>62,227</u>		
Balance Paid by AoA Program	20,058	207,693	30,534	334,584		
Local Cash - Regular Meals -	7,868	26,631	8,712	39,117		
In-Kind Match - Regular	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>		
Match Totals – All Funds	<u>7,868</u>	<u>26,631</u>	<u>8,712</u>	<u>39,117</u>		
KIPDA Regular Service Reimbursement	<u>\$ 12,190</u>	<u>\$ 181,062</u>	<u>\$ 21,821</u>	<u>\$ 295,467</u>		
% AoA Funds Spent	100%		100%			

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