

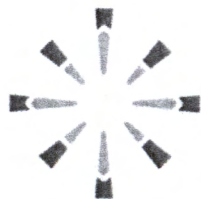
**WASHINGTON COUNTY, ARKANSAS, FEDERAL PROGRAMS**

**December 31, 2016**

**Schedule of Expenditures of Federal Awards – Cash Basis  
And  
Supplementary Information**

**With**

**Independent Auditor's Report**



**FROST**, PLLC  
Certified Public Accountants

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## **Independent Auditor's Report**

County Quorum Court  
Washington County, Arkansas, Federal Programs  
Washington County, Arkansas

### **Report on Schedule of Expenditures of Federal Awards**

We have audited the accompanying schedule of expenditures of federal awards – cash basis of Washington County, Arkansas, Federal Programs, a component unit of Washington County, Arkansas, for the year ended December 31, 2016 and the related notes.

#### *Management's Responsibility*

Management is responsible for the preparation and fair presentation of the financial statement of the programs in accordance with the cash basis of accounting as described in Note 1; this includes determining that the cash basis of accounting is an acceptable basis for the preparation of the financial statement in the circumstances. Management is also responsible for the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of the financial statement that is free from material misstatement, whether due to fraud or error.

#### *Auditor's Responsibility*

Our responsibility is to express an opinion on the financial statement of the program based on our audit.

We conducted our audit 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 ("CFR") 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 the financial statement is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statement. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statement in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the

effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statement.

We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### *Opinion*

In our opinion, the schedule of expenditures of federal awards – cash basis referred to above presents fairly, in all material respects, the expenditures of federal awards under Washington County, Arkansas, Federal Programs in accordance with the cash basis of accounting as described in Note 1.

#### *Basis of Accounting*

We draw attention to Note 1 of the financial statement, which describes the basis of accounting. The financial statement is prepared on the cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to that matter.

#### *Other Matters*

Our audit was conducted for the purpose of forming an opinion on the financial statement of the federal programs as a whole. The accompanying supplementary information contained on pages 7 through 13 is presented for purposes of additional analysis and is not a required part of the financial statement. Such information has not been subjected to the auditing procedures applied in the audit of the financial statement and, accordingly, we do not express an opinion or provide any assurance on it.

#### **Report Issued in Accordance With Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued a report dated March 17, 2017, on our consideration of Washington County, Arkansas, Federal Programs' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is 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 internal control over financial reporting or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Washington County, Arkansas, Federal Programs' internal control over financial reporting and compliance.

*Frost, PLLC*

Certified Public Accountants

Little Rock, Arkansas  
March 17, 2017

WASHINGTON COUNTY, ARKANSAS, FEDERAL PROGRAMS

Schedule of Expenditures of Federal Awards – Cash Basis

For the Year Ended December 31, 2016

<u>Grant</u>	<u>Grant ID #</u>	<u>CFDA Number</u>	<u>Expenditures</u>	<u>Subrecipients</u>
<b>Major Programs</b>				
U.S. Department of Homeland Security Federal Emergency Management Agency Passed through the State of Arkansas Department of Emergency Management State Homeland Security Grant Program - Urban Search and Rescue Program FY 2015	SHSGP-FY-15-USAR	97.067	\$ 102,735	\$ -
Special Weapons and Tactics FY 2015	FY-15-SHSGP-SWAT	97.067	143,000	-
Total major programs			<u>245,735</u>	<u>-</u>
<b>Nonmajor Programs</b>				
U.S. Department of Health and Human Services Substance Abuse and Mental Health Services Administration - Drug Courts FY 2014	5H79TI024160-03	93.243	44,739	-
Office of National Drug Control Policy High Intensity Drug Trafficking Area FY 2014	G14GC004A	95.001	22,609	20,574
High Intensity Drug Trafficking Area FY 2015	G15GC004A	95.001	144,987	126,107
High Intensity Drug Trafficking Area FY 2016	G16GC004A	95.001	128,545	128,545
U.S. Department of Homeland Security Federal Emergency Management Agency Passed through the State of Arkansas Department of Emergency Management Disaster Grants - Public Assistance Emergency Management Performance Grants FY 2015	4254-DR FY15-EMPG	97.036 97.042	44,223 76,915	- -
U.S. Department of Justice State Criminal Alien Assistance Program FY 2014	2014-AP-BX-0665	16.606	30,207	-
State Criminal Alien Assistance Program FY 2015	2015-AP-BX-0530	16.606	50,556	-
Drug Court Discretionary Grant Program	2015-VV-BX-0018	16.585	71,087	-
Passed through the Arkansas State Police Arkansas Internet Crimes Against Children	ICAC13-C2-14	16.543	2,306	-
Passed through the City of Fayetteville, Arkansas Justice Assistance Grant FY 2014	J14-004-14	16.738	1,967	-

<u>Grant</u>	<u>Grant ID #</u>	<u>CFDA Number</u>	<u>Expenditures</u>	<u>Subrecipients</u>
<b>Nonmajor Programs (cont.)</b>				
U.S. Department of Transportation				
Passed through the Arkansas State Police				
Selective Traffic Enforcement Project FY 2015/2016	OP-2016-03-02-33	20.600	\$ 4,694	\$ -
Selective Traffic Enforcement Project FY 2015/2016	SE-2016-13-01-33	20.600	4,682	-
Selective Traffic Enforcement Project FY 2016/2017	OP-2017-03-02-36	20.600	1,097	-
Selective Traffic Enforcement Project FY 2016/2017	SE-2017-13-01-36	20.600	701	-
Selective Traffic Enforcement Project FY 2015/2016	M5X-2016-05-06-33	20.616	2,424	-
Selective Traffic Enforcement Project FY 2016/2017	M5X-2017-05-06-36	20.616	296	-
Total nonmajor programs			<u>632,035</u>	<u>275,226</u>
Total programs			<u>\$ 877,770</u>	<u>\$ 275,226</u>

## Notes to Schedule of Expenditures of Federal Awards – Cash Basis

For the Year Ended December 31, 2016

1. Summary of Significant Accounting Policies

- a. **Organization** – The schedule of expenditures of federal awards (“SEFA”) of Washington County, Arkansas, Federal Programs (the “County”) is a report on the federal programs of Washington County, Arkansas, which are specifically defined below.

<u>Grant Name</u>	<u>Grant Number</u>	<u>Abbreviation</u>
Arkansas Internet Crimes Against Children	ICAC13-C2-14	ICAC-FY15
Disaster Grants - Public Assistance	4254-DR	FEMA
Drug Court Discretionary Grant Program	2015-VV-BX-0018	DRUG COURT-FY15
Emergency Management Performance Grants FY 2015	FY15-EMPG	EMPG-FY15
High Intensity Drug Trafficking Area FY 2016	G16GC004A	HIDTA-FY16
High Intensity Drug Trafficking Area FY 2015	G15GC004A	HIDTA-FY15
High Intensity Drug Trafficking Area FY 2014	G14GC004A	HIDTA-FY14
Justice Assistance Grant FY 2014	J14-004-14	JAG-FY14
Juvenile Detention Alternative Initiative	-	JDAI-Arkansas
Selective Traffic Enforcement Project FY 2015/2016	OP-2016-03-02-33	STEP-FY15/16
Selective Traffic Enforcement Project FY 2015/2016	SE-2016-13-01-33	STEP-FY15/16
Selective Traffic Enforcement Project FY 2015/2016	M5X-2016-05-06-33	STEP-FY15/16
Selective Traffic Enforcement Project FY 2016/2017	OP-2017-03-02-36	STEP-FY16/17
Selective Traffic Enforcement Project FY 2016/2017	SE-2017-13-01-36	STEP-FY16/17
Selective Traffic Enforcement Project FY 2016/2017	M5X-2017-05-06-36	STEP-FY16/17
Special Weapons and Tactics FY 2015	FY-15-SHSGP-SWAT	SWAT-FY15
State Criminal Alien Assistance Program FY 2014	2014-AP-BX-0665	SCAAP-FY14
State Criminal Alien Assistance Program FY 2015	2015-AP-BX-0530	SCAAP-FY15
State Criminal Alien Assistance Program FY 2016	2016-AP-BX-0055	SCAAP-FY16
State Homeland Security Grant Program - Urban Search and Rescue Program FY 2015	SHSGP-FY-15-USAR	SHSG-FY15
Substance Abuse and Mental Health Services Administration - Drug Courts FY 2014	5H79TI024160-03	SAMHSA-FY14

- b. **Financial reporting** – This report includes all funds and accounts directly related to the above mentioned grants.
- c. **Basis of presentation** – The SEFA includes the federal grant activity of the County under programs of the federal government for the year ended December 31, 2016. The information in the SEFA is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* (“CFR”) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*. Because the SEFA presents only a selected portion of the operations of the County, it is not intended to and does not include all of the funds and account groups relevant to the operations of the County.

## Notes to Schedule of Expenditures of Federal Awards – Cash Basis

For the Year Ended December 31, 2016

1. Summary of Significant Accounting Policies (cont.)

- d. **Basis of accounting** – Expenditures reported on the SEFA are reported on the cash basis of accounting which is a comprehensive basis of accounting other than generally accepted accounting principles. All transactions relating to the County's participation in the federal programs are recognized as either cash receipts or disbursements. Noncash transactions are not recognized in the statement. Disbursements are recognized following the cost principles contained in the U.S. Office of Management and Budget *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.

The County operates under an elected form of government similar to a mayor-council format. Accounting principles generally accepted in the United States of America require that the reporting entity include (1) the primary government, (2) organizations for which the primary government is financially accountable, and (3) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. The criteria provided in the Government Accounting Standards Board Statement No. 14, "The Financial Reporting Entity," have been considered. The SEFA represents only the federal programs of the County, and do not include data of other funds of the primary government necessary for reporting in conformity with accounting principles generally accepted in the United States of America.

2. Contingencies

The County is subject to possible examinations with respect to grants made by regulations governing its grant activities. These examinations may result in required refunds by the County to the grantors.

3. Subrecipients

Several local governmental law enforcement agencies are subrecipients for the Office of National Drug Control Policy High Intensity Drug Trafficking Area grant. Disbursements to subrecipients are considered to be made when the grants' funds are received and then subsequently disbursed to the subrecipients.



Notes to Schedule of Expenditures of Federal Awards – Cash Basis

For the Year Ended December 31, 2016

4. **Budgets (Unaudited)**

The budgets, if applicable, for the grants identified in Note 1 are as follows:

	SHSG- <u>FY15</u>	SWAT- <u>FY15</u>	HIDTA- <u>FY14</u>	HIDTA- <u>FY15</u>	HIDTA- <u>FY16</u>
Program costs					
Machinery and equipment	\$ 163,000	\$ 126,900	\$ -	\$ -	\$ -
Other	-	-	63,830	39,652	60,760
Personnel	-	-	154,205	181,799	175,688
Professional fees and services	-	-	63,384	59,100	61,200
Supplies	-	-	1,689	5,100	10,000
Training	52,000	16,100	-	-	-
Transportation	10,000	-	4,797	2,000	2,000
Total program costs	<u>\$ 225,000</u>	<u>\$ 143,000</u>	<u>\$ 287,905</u>	<u>\$ 287,651</u>	<u>\$ 309,648</u>

	SAMHSA- <u>FY14</u>	STEP- <u>FY15/16</u>	STEP- <u>FY16/17</u>	Total
Program costs				
Machinery and equipment	\$ -	\$ 1,800	\$ 2,500	\$ 294,200
Other	29,460	-	-	193,702
Personnel	-	17,500	17,500	546,692
Professional fees and services	311,225	-	-	494,909
Supplies	13,240	-	-	30,029
Training	-	-	-	68,100
Transportation	30,587	-	-	49,384
Total program costs	<u>\$ 384,512</u>	<u>\$ 19,300</u>	<u>\$ 20,000</u>	<u>\$ 1,677,016</u>

WASHINGTON COUNTY, ARKANSAS, FEDERAL PROGRAMS

Statement of Cash Receipts, Disbursements and  
Changes in Fund Balances – Cash Basis

For the Year Ended December 31, 2016

	SHSG- <u>FY15</u>	SWAT- <u>FY15</u>	EMPG- <u>FY15</u>
Receipts			
Federal advances/reimbursements	\$ 102,735	\$ 143,000	\$ 54,685
Disbursements			
Capital outlay and equipment	-	-	-
Emergency management	-	-	44,172
Law enforcement	102,735	143,000	-
Other	-	-	-
Total disbursements	<u>102,735</u>	<u>143,000</u>	<u>44,172</u>
Excess of cash receipts over disbursements or (disbursements over receipts)	-	-	10,513
Other adjustments			
Cash receipts (disbursements) of prior period	-	-	(32,743)
Fund balances (deficit) - beginning of year	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances (deficit) - end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (22,230)</u>

<u>JAG- FY14</u>	<u>SCAAP- FY14</u>	<u>SCAAP- FY15</u>	<u>SCAAP- FY16</u>	<u>ICAC- FY15</u>	<u>DRUG COURT- FY15</u>
\$ 1,967	\$ -	\$ -	\$ 57,488	\$ 2,306	\$ 69,378
-	-	-	-	-	-
-	-	-	-	-	-
1,967	30,207	50,556	57,488	2,306	71,087
-	-	-	-	-	-
<u>1,967</u>	<u>30,207</u>	<u>50,556</u>	<u>-</u>	<u>2,306</u>	<u>71,087</u>
-	(30,207)	(50,556)	57,488	-	(1,709)
-	-	51,972	-	-	-
-	30,207	-	-	-	-
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,416</u>	<u>\$ 57,488</u>	<u>\$ -</u>	<u>\$ (1,709)</u>

See independent auditor's report.

WASHINGTON COUNTY, ARKANSAS, FEDERAL PROGRAMS

Statement of Cash Receipts, Disbursements and  
Changes in Fund Balances – Cash Basis (cont.)

For the Year Ended December 31, 2016

	HIDTA- FY14	HIDTA- FY15	HIDTA- FY16
Receipts			
Federal advances/reimbursements	\$ 22,609	\$ 144,987	\$ 128,545
Disbursements			
Capital outlay and equipment	-	-	-
Emergency management	-	-	-
Law enforcement	-	-	-
Other	22,609	144,987	128,545
Total disbursements	<u>-</u>	<u>-</u>	<u>-</u>
	<u>22,609</u>	<u>144,987</u>	<u>128,545</u>
Excess of cash receipts over disbursements or (disbursements over receipts)	-	-	-
Other adjustments			
Cash receipts (disbursements) of prior period	-	-	-
Fund balances (deficit) - beginning of year	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances (deficit) - end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

<u>SAMHSA- FY14</u>	<u>JDAI- Arkansas</u>	<u>STEP- FY15/16</u>	<u>STEP- FY16/17</u>	<u>FEMA</u>	<u>Total</u>
\$ 44,739	\$ 990	\$ 12,686	\$ -	\$ 412,227	\$ 1,198,342
-	-	-	-	44,223	44,223
-	-	-	-	-	44,172
-	-	11,800	2,094	-	711,893
<u>44,739</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>44,739</u>
<u>44,739</u>	<u>-</u>	<u>11,800</u>	<u>2,094</u>	<u>44,223</u>	<u>845,027</u>
-	990	886	(2,094)	368,004	353,315
-	-	-	-	-	19,229
<u>-</u>	<u>(990)</u>	<u>(886)</u>	<u>-</u>	<u>-</u>	<u>28,331</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (2,094)</u>	<u>\$ 368,004</u>	<u>\$ 400,875</u>

See independent auditor's report.

WASHINGTON COUNTY, ARKANSAS, FEDERAL PROGRAMS

Statement of Cash Receipts, Disbursements and  
Changes in Fund Balances from Inception – Cash Basis

For the Year Ended December 31, 2016

	SHSG- FY15	SWAT- FY15	EMPG- FY15
Fund balances - inception of grant	\$ -	\$ -	\$ -
Receipts			
Federal advances/reimbursements	<u>102,735</u>	<u>143,000</u>	<u>54,685</u>
Disbursements			
Capital outlay and equipment	-	-	-
Emergency management	-	-	76,915
Law enforcement	102,735	143,000	-
Other	<u>-</u>	<u>-</u>	<u>-</u>
Total disbursements	<u>102,735</u>	<u>143,000</u>	<u>76,915</u>
Fund balances (deficit) - end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (22,230)</u>

<u>JAG- FY14</u>	<u>SCAAP- FY14</u>	<u>SCAAP- FY15</u>	<u>SCAAP- FY16</u>	<u>ICAC- FY15</u>	<u>DRUG COURT- FY15</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<u>16,012</u>	<u>55,253</u>	<u>51,972</u>	<u>57,488</u>	<u>2,306</u>	<u>69,378</u>
-	-	-	-	-	-
-	-	-	-	-	-
16,012	55,253	50,556	-	2,306	71,087
-	-	-	-	-	-
<u>16,012</u>	<u>55,253</u>	<u>50,556</u>	<u>-</u>	<u>2,306</u>	<u>71,087</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,416</u>	<u>\$ 57,488</u>	<u>\$ -</u>	<u>\$ (1,709)</u>

See independent auditor's report.

WASHINGTON COUNTY, ARKANSAS, FEDERAL PROGRAMS

Statement of Cash Receipts, Disbursements and  
Changes in Fund Balances from Inception – Cash Basis (cont.)

For the Year Ended December 31, 2016

	HIDTA- FY14	HIDTA- FY15	HIDTA- FY16
Fund balances - inception of grant	\$ -	\$ -	\$ -
Receipts			
Federal advances/reimbursements	<u>287,905</u>	<u>263,281</u>	<u>128,545</u>
Disbursements			
Capital outlay and equipment	-	-	-
Emergency management	-	-	-
Law enforcement	287,905	263,281	128,545
Other	<u>-</u>	<u>-</u>	<u>-</u>
Total disbursements	<u>287,905</u>	<u>263,281</u>	<u>128,545</u>
Fund balances (deficit) - end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>



<u>SAMHSA- FY14</u>	<u>JDAI- Arkansas</u>	<u>STEP- FY15/16</u>	<u>STEP- FY16/17</u>	<u>FEMA</u>	<u>Total</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<u>384,438</u>	<u>990</u>	<u>12,686</u>	<u>-</u>	<u>412,227</u>	<u>2,042,901</u>
-	990	-	-	44,223	45,213
-	-	-	-	-	76,915
-	-	12,686	2,094	-	1,135,460
<u>384,438</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>384,438</u>
<u>384,438</u>	<u>990</u>	<u>12,686</u>	<u>2,094</u>	<u>44,223</u>	<u>1,642,026</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (2,094)</u>	<u>\$ 368,004</u>	<u>\$ 400,875</u>

WASHINGTON COUNTY, ARKANSAS, FEDERAL PROGRAMS

Schedule of Sources and Status of Funds – Cash Basis

For the Year Ended December 31, 2016

	SHSG- FY15	SWAT- FY15	EMPG- FY15
Total program funds allocated	\$ 225,000	\$ 143,000	\$ 76,915
Less drawdowns in prior fiscal years	-	-	-
Less drawdowns during current period	102,735	143,000	54,685
Less expired funds	<u>-</u>	<u>-</u>	<u>-</u>
Program funds still available	<u>\$ 122,265</u>	<u>\$ -</u>	<u>\$ 22,230</u>
Program funds drawn down by recipient	\$ 102,735	\$ 143,000	\$ 54,685
Plus program funds available from prior year (committed to prior year)	<u>-</u>	<u>-</u>	<u>-</u>
Total program funds	102,735	143,000	54,685
Less funds applied to program costs	<u>102,735</u>	<u>143,000</u>	<u>76,915</u>
Total program funds available for disposition (committed)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (22,230)</u>

<u>JAG-</u> <u>FY14</u>	<u>SCAAP-</u> <u>FY14</u>	<u>SCAAP-</u> <u>FY15</u>	<u>SCAAP-</u> <u>FY16</u>	<u>ICAC-</u> <u>FY15</u>	<u>DRUG</u> <u>COURT-</u> <u>FY15</u>
\$ 16,012	\$ 55,253	\$ 51,972	\$ 57,488	\$ 2,306	\$ 200,000
14,045	55,253	51,972	-	-	-
1,967	-	-	57,488	2,306	69,378
-	-	-	-	-	-
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 130,622</u>
\$ 1,967	\$ -	\$ -	\$ 57,488	\$ 2,306	\$ 69,378
-	30,207	51,972	-	-	-
1,967	30,207	51,972	57,488	2,306	69,378
1,967	30,207	50,556	-	2,306	71,087
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,416</u>	<u>\$ 57,488</u>	<u>\$ -</u>	<u>\$ (1,709)</u>

WASHINGTON COUNTY, ARKANSAS, FEDERAL PROGRAMS

Schedule of Sources and Status of Funds – Cash Basis (cont.)

For the Year Ended December 31, 2016

	HIDTA- FY14	HIDTA- FY15	HIDTA- FY16
Total program funds allocated	\$ 287,905	\$ 307,651	\$ 309,648
Less drawdowns in prior fiscal years	265,296	118,294	-
Less drawdowns during current period	22,609	144,987	128,545
Less expired funds	<u>-</u>	<u>-</u>	<u>-</u>
Program funds still available	<u>\$ -</u>	<u>\$ 44,370</u>	<u>\$ 181,103</u>
Program funds drawn down by recipient	\$ 22,609	\$ 144,987	\$ 128,545
Plus program funds available from prior year (committed to prior year)	<u>-</u>	<u>-</u>	<u>-</u>
Total program funds	22,609	144,987	128,545
Less funds applied to program costs	<u>22,609</u>	<u>144,987</u>	<u>128,545</u>
Total program funds available for disposition (committed)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

<u>SAMHSA- FY14</u>	<u>JDAI- Arkansas</u>	<u>STEP- FY15/16</u>	<u>STEP- FY16/17</u>	<u>FEMA</u>	<u>Total</u>
\$ 384,512	\$ 7,500	\$ 19,300	\$ 20,000	\$ 412,227	\$ 2,576,689
339,699	-	-	-	-	844,559
44,739	990	12,686	-	412,227	1,198,342
<u>74</u>	<u>6,510</u>	<u>6,614</u>	<u>-</u>	<u>-</u>	<u>13,198</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 20,000</u>	<u>\$ -</u>	<u>\$ 520,590</u>
\$ 44,739	\$ 990	\$ 12,686	\$ -	\$ 412,227	\$ 1,198,342
<u>-</u>	<u>(990)</u>	<u>(886)</u>	<u>-</u>	<u>-</u>	<u>80,303</u>
44,739	-	11,800	-	412,227	1,278,645
<u>44,739</u>	<u>-</u>	<u>11,800</u>	<u>2,094</u>	<u>44,223</u>	<u>877,770</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (2,094)</u>	<u>\$ 368,004</u>	<u>\$ 400,875</u>

See independent auditor's report.

Supplementary Data

For the Year Ended December 31, 2016

Name and Address:	Washington County 280 North College, Suite 530 Fayetteville, Arkansas 72701
Employer Identification Number:	71-6003197
Telephone Number:	479-444-1708
Contacts:	Joseph Woods, County Judge Ashley Farber, Comptroller Sharon Lloyd, Grant Administrator

**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**

County Quorum Court  
Washington County, Arkansas, Federal Programs  
Washington County, Arkansas

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 schedule of expenditures of federal awards ("SEFA") of Washington County, Arkansas, Federal Programs (the "County") as of and for the year ended December 31, 2016, and the related notes to the SEFA, and have issued our report thereon dated March 17, 2017.

**Internal Control Over Financial Reporting**

In planning and performing our audit, 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 SEFA, 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 County's SEFA 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 over financial reporting 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 financial reporting that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control over financial reporting 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 SEFA is 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*.

We noted certain other matters that we reported to the County's management in a separate letter dated March 17, 2017.

### 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.

*Frost, PLLC*

Certified Public Accountants

Little Rock, Arkansas  
March 17, 2017



**Independent Auditor's Report on Compliance for Each  
Major Federal Program and Report on Internal Control  
Over Compliance in Accordance With the Uniform Guidance**

County Quorum Court  
Washington County, Arkansas, Federal Programs  
Washington County, Arkansas

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

We have audited the Washington County, Arkansas, Federal Programs' (the "County") compliance with the types of compliance requirements described in the U.S. Office of Management and Budget *Compliance Supplement* that could have a direct and material effect on each of the County's major federal programs for the year ended December 31, 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 each of 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 ("CFR") 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 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 December 31, 2016.

### **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 as a basis for designing 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 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.

*Frost, PLLC*

Certified Public Accountants

Little Rock, Arkansas  
March 17, 2017

Schedule of Findings and Questioned Costs

For the Year Ended December 31, 2016

**Section I: Summary of Auditor's Results**

***Financial Statements***

Type of auditor's report issued: Unqualified

Internal control over financial reporting:

Material weaknesses 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 weaknesses identified?  Yes  No

Significant deficiencies identified?  Yes  None Reported

Type of auditor's report issued on compliance for major federal programs. Unqualified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?  Yes  No

Identification of major federal programs:

CFDA Number(s) and Name of Federal Program or Cluster

State Homeland Security Grant Program 97.067

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

Auditee qualified as a low-risk auditee?  Yes  No

Schedule of Findings and Questioned Costs (cont.)

For the Year Ended December 31, 2016

**Section II: Financial Statement Findings**

No matters are reportable.

**Section III: Federal Awards Findings**

No matters are reportable.