

WASHINGTON COUNTY, ARKANSAS, FEDERAL PROGRAMS

December 31, 2022

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

With

Independent Auditor's Report



Table of Contents

	<u>Page</u>
Schedule of Expenditures of Federal Awards – Cash Basis	
Independent Auditor’s Report	1 – 3
Schedule of Expenditures of Federal Awards – Cash Basis.....	4
Notes to Schedule of Expenditures of Federal Awards – Cash Basis	5 – 7
Supplementary Information	
Statement of Cash Receipts, Disbursements, and Changes in Fund Balances – Cash Basis.....	8 – 9
Statement of Cash Receipts, Disbursements, and Changes in Fund Balances from Inception – Cash Basis.....	10 – 11
Schedule of Sources and Status of Funds – Cash Basis	12 – 13
Supplementary Data	14
Compliance and Internal Control Section	
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>	15 – 16
Independent Auditor’s Report on Compliance for Each Major Federal Program and Report on Internal Control Over Compliance in Accordance With the Uniform Guidance	17 – 19
Schedule of Findings and Questioned Costs	20
Summary Schedule of Prior Audit Findings	21



Independent Auditor's Report

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

Report on Schedule of Expenditures of Federal Awards – Cash Basis

Opinion

We have audited the 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, 2022, and the related notes (the “schedule”).

In our opinion, the accompanying schedule presents fairly, in all material respects, the expenditures of federal awards of Washington County, Arkansas, Federal Programs for the year ended December 31, 2022, in accordance with the cash basis of accounting as described in Note 1.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (“GAAS”); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (“*Government Auditing Standards*”); 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”). Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Schedule section of our report.

We are required to be independent of Washington County, Arkansas, Federal Programs and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Basis of Accounting

We draw attention to Note 1 of the schedule, which describes the basis of accounting. The schedule 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.

Responsibilities of Management for the Schedule

Management is responsible for the preparation and fair presentation of the schedule in accordance with the cash basis of accounting and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the schedule that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibilities for the Audit of the Schedule

Our objectives are to obtain reasonable assurance about whether the schedule as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, GAS, and the Uniform Guidance will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the schedule.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the schedule, whether due to fraud, or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the schedule.
- Obtain an understanding of internal control relevant to the audit 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 Washington County, Arkansas, Federal Programs' internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the schedule.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the schedule as a whole. The accompanying supplementary information contained on pages 8 through 14 is presented for purposes of additional analysis and is not a required part of the schedule. Such information has been subjected to auditing procedures applied in the audit of the schedule and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the schedule or to the schedule itself, and other additional procedures in accordance with GAAS. In our opinion, the accompanying supplementary information and the schedule are fairly stated in all material respects in relation to the schedule as a whole.

Other Reporting Required by GAS

In accordance with *GAS*, we have also issued our report dated March 8, 2024, 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 and 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 *GAS* in considering Washington County, Arkansas, Federal Programs' internal control over financial reporting and compliance.

Frost, PLLC

Certified Public Accountants

Little Rock, Arkansas
March 8, 2024

Schedule of Expenditures of Federal Awards – Cash Basis

For the Year Ended December 31, 2022

<u>Grant</u>	<u>Grant ID Number</u>	<u>Federal Assistance Living ("FAL") Number</u>	<u>Expenditures</u>	<u>Subrecipients</u>
Major Programs				
U.S. Department of Treasury				
Emergency Rental Assistance #1	ERA1	21.023	\$ 1,105,631	\$ -
Emergency Rental Assistance #2	ERA2	21.023	3,281,969	-
U.S. Department of Homeland Security/Federal Emergency Management Agency Passed through the State of Arkansas Department of Emergency Management Homeland Security Grant Program				
Urban Search and Rescue Program FY 2020	SHSGP-FY-20-USAR	97.067	316,303	-
Urban Search and Rescue Program FY 2021	SHSGP-FY-21-USAR	97.067	10,272	-
Special Weapons and Tactics FY 2020	FY-20-SHSGP-SWAT	97.067	264,653	-
Special Weapons and Tactics FY 2021	FY-21-SHSGP-SWAT	97.067	197,281	-
Weapons of Mass Destruction FY 2020	FY-20-SHSGP-WMD	97.067	267,799	-
Total major programs			<u>5,443,908</u>	<u>-</u>
Nonmajor Programs				
U.S. Department of Health and Human Services				
Substance Abuse and Mental Health Services Administration - Drug Courts FY 20/21	1H79TI080136-03	93.243	96,050	-
Substance Abuse and Mental Health Services Administration - Drug Courts FY 21/22	1H79TI080136-03	93.243	250,464	-
Substance Abuse and Mental Health Services Administration - Drug Courts FY 22/23	15H79TI082976-03	93.243	125,482	-
Alternatives to Detention	2016-JF-FX-0032	16.540	16,958	-
Office of National Drug Control Policy				
High Intensity Drug Trafficking Area FY 2020	G20GC004A	95.001	162,918	162,918
High Intensity Drug Trafficking Area FY 2021	G21GC004A	95.001	165,729	165,729
High Intensity Drug Trafficking Area FY 2022	G22GC004A	95.001	7,744	7,744
U.S. Department of Justice				
Drug Court Discretionary Grant Program	2020-VC-BX-0049	16.585	163,546	-
State Criminal Alien Assistance Program	2020-AP-BX-1148	16.606	5,571	-
Total nonmajor programs			<u>994,462</u>	<u>336,391</u>
Total programs			<u>\$ 6,438,370</u>	<u>\$ 336,391</u>

The accompanying notes are an integral part of this schedule.

Notes to Schedule of Expenditures of Federal Awards – Cash Basis

For the Year Ended December 31, 2022

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>
Alternatives to Detention	2016-JF-FX-0032	DHS-FY22
Coronavirus Relief Fund	CRF	CRF- FY20
Drug Court Discretionary Grant Program	2020-VC-BX-0049	DOJ-FY22
Emergency Rental Assistance #1	ERA1	ERA1-FY21
Emergency Rental Assistance #2	ERA2	ERA2-FY21
High Intensity Drug Trafficking Area FY 2020	G20GC004A	HIDTA-FY20
High Intensity Drug Trafficking Area FY 2021	G21GC004A	HIDTA-FY21
High Intensity Drug Trafficking Area FY 2022	G22GC004A	HIDTA-FY22
Homeland Security Grant Program		
Urban Search and Rescue Program FY 2020	SHSGP-FY-20-USAR	SHSG-FY20
Urban Search and Rescue Program FY 2021	SHSGP-FY-21-USAR	SHSG-FY21
Individual First Aid Kits FY 2021	IFAK	IFAK-FY21
State Criminal Alien Assistance Program	2020-AP-BX-1148	SCAAP-FY19
State Criminal Alien Assistance Program	2021-AP-BX-1148	SCAAP-FY20
State Criminal Alien Assistance Program	2022-AP-BX-1148	SCAAP-FY21
Special Weapons and Tactics FY 2019	FY-19-SHSGP-SWAT	SWAT-FY19
Special Weapons and Tactics FY 2020	FY-20-SHSGP-SWAT	SWAT-FY20
Special Weapons and Tactics FY 2021	FY-21-SHSGP-SWAT	SWAT-FY21
Substance Abuse and Mental Health Services		
Administration - Drug Courts FY 20/21	1H79TI080136-03	SAMHSA-FY20
Substance Abuse and Mental Health Services		
Administration - Drug Courts FY 21/22	1H79TI080136-03	SAMHSA-FY21
Substance Abuse and Mental Health Services		
Administration - Drug Courts FY 22/23	15H79TI082976-03	SAMHSA-FY22
Weapons of Mass Destruction FY 2020	FY-20-SHSGP-WMD	WMD-FY20
Weapons of Mass Destruction FY 2021	FY-21-SHSGP-WMD	WMD-FY21

- 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, 2022. The information in the SEFA 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*. 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, 2022

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 SEFA. 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 does 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. **Indirect Cost Rate**

The County has not elected to use the 10% de minimis indirect cost rate as allowed in the Uniform Guidance, Section 200.414, “Indirect (F&A) Costs.”

3. **Contingencies**

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

4. **Subrecipients**

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

WASHINGTON COUNTY, ARKANSAS, FEDERAL PROGRAMS

Notes to Schedule of Expenditures of Federal Awards – Cash Basis

For the Year Ended December 31, 2022

5. Budgets (Unaudited)

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

	<u>WMD- FY20</u>	<u>WMD- FY21</u>	<u>SHSG- FY20</u>	<u>SHSG- FY21</u>	<u>SWAT- FY20</u>	<u>SWAT- FY21</u>	<u>HIDTA- FY20</u>	<u>HIDTA- FY21</u>	<u>HIDTA- FY22</u>	<u>SAMHSA- FY20</u>	<u>SAMHSA- FY21</u>	<u>SAMHSA- FY22</u>	<u>Total</u>
Program costs													
Machinery and equipment	\$ -	\$ 250,000	\$ 161,263	\$ 140,700	\$ 75,748	\$ 350,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 977,711
Other	-	2,500	53,839	45,000	69,361	60,575	65,497	62,543	33,312	219,344	219,344	219,344	1,050,659
Personnel	-	-	-	-	-	-	192,995	168,340	168,294	59,007	59,007	59,007	706,650
Professional fees and services	-	-	-	-	-	-	77,131	64,495	59,105	88,520	88,520	88,520	466,291
Supplies	268,869	-	124,967	20,500	142,660	-	1,000	785	469	24,825	24,825	24,825	633,725
Training	-	-	-	-	-	-	-	-	-	4,254	4,254	4,254	12,762
Transportation	-	-	-	-	-	-	2,684	2,633	562	4,046	4,046	4,046	18,017
Total program costs	<u>\$ 268,869</u>	<u>\$ 252,500</u>	<u>\$ 340,069</u>	<u>\$ 206,200</u>	<u>\$ 287,769</u>	<u>\$ 410,575</u>	<u>\$ 339,307</u>	<u>\$ 298,796</u>	<u>\$ 261,742</u>	<u>\$ 399,996</u>	<u>\$ 399,996</u>	<u>\$ 399,996</u>	<u>\$ 3,865,815</u>

WASHINGTON COUNTY, ARKANSAS, FEDERAL PROGRAMS

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

For the Year Ended December 31, 2022

	<u>SWAT- FY19</u>	<u>SWAT- FY20</u>	<u>SWAT- FY21</u>	<u>SHSG- FY20</u>	<u>SHSG- FY21</u>	<u>WMD- FY20</u>	<u>IFAK- FY21</u>	<u>ERA1- FY21</u>	<u>ERA2- FY21</u>	<u>HIDTA- FY20</u>
Receipts										
Federal advances/reimbursements	\$ 121,974	\$ 147,212	\$ 185,164	\$ 200,248	\$ -	\$ 262,004	\$ 232,113	\$ 3,171,959	\$ 1,719,106	\$ 162,918
Disbursements										
Capital outlay and equipment	-	-	-	-	-	-	-	-	-	-
Emergency management	-	-	-	-	-	-	-	-	-	-
Law enforcement	-	264,653	197,281	-	-	-	-	-	-	162,918
Other	-	-	-	316,303	10,272	267,799	-	1,105,631	3,281,969	-
Total disbursements	<u>-</u>	<u>264,653</u>	<u>197,281</u>	<u>316,303</u>	<u>10,272</u>	<u>267,799</u>	<u>-</u>	<u>1,105,631</u>	<u>3,281,969</u>	<u>162,918</u>
Excess of cash receipts over disbursements or (disbursements over receipts)	121,974	(117,441)	(12,117)	(116,055)	(10,272)	(5,795)	232,113	2,066,328	(1,562,863)	-
Fund balances (deficit) - beginning of year	<u>(122,193)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(232,113)</u>	<u>10,482</u>	<u>1,645,163</u>	<u>-</u>
Fund balances (deficit) - end of year	<u>\$ (219)</u>	<u>\$ (117,441)</u>	<u>\$ (12,117)</u>	<u>\$ (116,055)</u>	<u>\$ (10,272)</u>	<u>\$ (5,795)</u>	<u>\$ -</u>	<u>\$ 2,076,810</u>	<u>\$ 82,300</u>	<u>\$ -</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, 2022

	<u>HIDTA- FY21</u>	<u>HIDTA- FY22</u>	<u>SAMHSA- FY20</u>	<u>SAMHSA- FY21</u>	<u>SAMHSA- FY22</u>	<u>DOJ- FY22</u>	<u>DHS- FY22</u>	<u>SCAAP- FY19</u>	<u>SCAAP- FY20</u>	<u>SCAAP- FY21</u>	<u>Total</u>
Receipts											
Federal advances/reimbursements	\$ 165,729	\$ 7,744	\$ 94,566	\$ 264,112	\$ 78,723	\$ 187,602	\$ 17,536	\$ -	\$ 96,191	\$ 121,746	\$ 7,236,647
Disbursements											
Capital outlay and equipment	-	-	-	-	-	-	-	-	-	-	-
Emergency management	-	-	-	-	-	-	-	-	-	-	-
Law enforcement	165,729	-	-	-	-	-	-	-	-	-	790,581
Other	-	7,744	96,050	260,464	125,482	163,546	16,958	5,571	-	-	5,657,789
Total disbursements	<u>165,729</u>	<u>7,744</u>	<u>96,050</u>	<u>260,464</u>	<u>125,482</u>	<u>163,546</u>	<u>16,958</u>	<u>5,571</u>	<u>-</u>	<u>-</u>	<u>6,448,370</u>
Excess of cash receipts over disbursements or (disbursements over receipts)	-	-	(1,484)	3,648	(46,759)	24,056	578	(5,571)	96,191	121,746	788,277
Fund balances (deficit) - beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>(2,560)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,298,779</u>
Fund balances (deficit) - end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (1,484)</u>	<u>\$ 1,088</u>	<u>\$ (46,759)</u>	<u>\$ 24,056</u>	<u>\$ 578</u>	<u>\$ (5,571)</u>	<u>\$ 96,191</u>	<u>\$ 121,746</u>	<u>\$ 2,087,056</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, 2022

	<u>SWAT- FY19</u>	<u>SWAT- FY20</u>	<u>SWAT- FY21</u>	<u>SHSG- FY20</u>	<u>SHSG- FY21</u>	<u>WMD- FY20</u>	<u>IFAK- FY21</u>	<u>ERA1- FY21</u>	<u>ERA2- FY21</u>	<u>HIDTA- FY20</u>	<u>HIDTA- FY21</u>
Fund balances - inception of grant	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Receipts											
Federal advances/reimbursements	<u>364,962</u>	<u>147,212</u>	<u>185,164</u>	<u>200,248</u>	<u>-</u>	<u>262,004</u>	<u>232,113</u>	<u>10,339,522</u>	<u>3,987,649</u>	<u>339,307</u>	<u>176,719</u>
Disbursements											
Capital outlay and equipment	-	-	-	-	-	-	-	-	-	-	-
Emergency management	-	-	-	-	-	-	-	-	-	-	-
Law enforcement	365,181	264,653	197,281	-	-	-	232,113	-	-	339,307	176,719
Other	<u>-</u>	<u>-</u>	<u>-</u>	<u>316,303</u>	<u>10,272</u>	<u>267,799</u>	<u>-</u>	<u>8,262,712</u>	<u>3,905,349</u>	<u>-</u>	<u>-</u>
Total disbursements	<u>365,181</u>	<u>264,653</u>	<u>197,281</u>	<u>316,303</u>	<u>10,272</u>	<u>267,799</u>	<u>232,113</u>	<u>8,262,712</u>	<u>3,905,349</u>	<u>339,307</u>	<u>176,719</u>
Fund balances (deficit) - end of year	<u>\$ (219)</u>	<u>\$ (117,441)</u>	<u>\$ (12,117)</u>	<u>\$ (116,055)</u>	<u>\$ (10,272)</u>	<u>\$ (5,795)</u>	<u>\$ -</u>	<u>\$ 2,076,810</u>	<u>\$ 82,300</u>	<u>\$ -</u>	<u>\$ -</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, 2022

	<u>HIDTA-</u> <u>FY22</u>	<u>SAMHSA-</u> <u>FY20</u>	<u>SAMHSA-</u> <u>FY21</u>	<u>SAMHSA-</u> <u>FY22</u>	<u>DOJ-</u> <u>FY22</u>	<u>DHS-</u> <u>FY22</u>	<u>CRF-</u> <u>FY20</u>	<u>SCAAP-</u> <u>FY19</u>	<u>SCAAP-</u> <u>FY20</u>	<u>SCAAP-</u> <u>FY21</u>	<u>Total</u>
Fund balances - inception of grant	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Receipts											
Federal advances/reimbursements	<u>7,744</u>	<u>277,857</u>	<u>128,400</u>	<u>78,723</u>	<u>187,602</u>	<u>17,536</u>	<u>4,664,503</u>	<u>76,382</u>	<u>96,191</u>	<u>121,746</u>	<u>21,891,584</u>
Disbursements											
Capital outlay and equipment	-	-	-	-	-	-	-	-	-	-	-
Emergency management	-	-	-	-	-	-	-	-	-	-	-
Law enforcement	7,744	-	-	-	-	-	-	-	-	-	1,582,998
Other	<u>-</u>	<u>279,341</u>	<u>398,736</u>	<u>125,482</u>	<u>163,546</u>	<u>16,958</u>	<u>4,549,531</u>	<u>5,571</u>	<u>-</u>	<u>-</u>	<u>18,301,600</u>
Total disbursements	<u>7,744</u>	<u>279,341</u>	<u>398,736</u>	<u>125,482</u>	<u>163,546</u>	<u>16,958</u>	<u>4,549,531</u>	<u>5,571</u>	<u>-</u>	<u>-</u>	<u>19,884,598</u>
Fund balances (deficit) - end of year	<u>\$ -</u>	<u>\$ (1,484)</u>	<u>\$ (270,336)</u>	<u>\$ (46,759)</u>	<u>\$ 24,056</u>	<u>\$ 578</u>	<u>\$ 114,972</u>	<u>\$ 70,811</u>	<u>\$ 96,191</u>	<u>\$ 121,746</u>	<u>\$ 2,006,986</u>

See independent auditor's report.

WASHINGTON COUNTY, ARKANSAS, FEDERAL PROGRAMS

Schedule of Sources and Status of Funds – Cash Basis

For the Year Ended December 31, 2022

	SWAT- FY19	SWAT- FY20	SWAT- FY21	SHSG- FY20	SHSG- FY21	WMD- FY20	IFAK- FY21	ERA1- FY21	ERA2- FY21	HIDTA- FY20	HIDTA- FY21
Total program funds allocated	\$ -	\$ 287,769	\$ 410,575	\$ 340,069	\$ 206,200	\$ 268,869	\$ -	\$ -	\$ -	\$ 339,307	\$ 298,796
Less drawdowns in prior fiscal years	242,988	-	-	-	-	-	-	7,167,563	2,268,543	176,389	10,990
Less drawdowns during current period	121,974	147,212	185,164	200,248	-	262,004	232,113	3,171,959	1,719,106	162,918	165,729
Less expired funds	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Program funds still available	<u>\$ (364,962)</u>	<u>\$ 140,557</u>	<u>\$ 225,411</u>	<u>\$ 139,821</u>	<u>\$ 206,200</u>	<u>\$ 6,865</u>	<u>\$ (232,113)</u>	<u>\$ (10,339,522)</u>	<u>\$ (3,987,649)</u>	<u>\$ -</u>	<u>\$ 122,077</u>
Program funds drawn down by recipient	\$ 121,974	\$ 147,212	\$ 185,164	\$ 200,248	\$ -	\$ 262,004	\$ 232,113	\$ 3,171,959	\$ 1,719,106	\$ 162,918	\$ 165,729
Plus program funds available from prior year (committed to prior year)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total program funds	121,974	147,212	185,164	200,248	-	262,004	232,113	3,171,959	1,719,106	162,918	165,729
Less funds applied to program costs	<u>-</u>	<u>264,653</u>	<u>197,281</u>	<u>316,303</u>	<u>10,272</u>	<u>267,799</u>	<u>-</u>	<u>1,105,631</u>	<u>3,281,969</u>	<u>162,918</u>	<u>165,729</u>
Total program funds available for disposition (committed)	<u>\$ 121,974</u>	<u>\$ (117,441)</u>	<u>\$ (12,117)</u>	<u>\$ (116,055)</u>	<u>\$ (10,272)</u>	<u>\$ (5,795)</u>	<u>\$ 232,113</u>	<u>\$ 2,066,328</u>	<u>\$ (1,562,863)</u>	<u>\$ -</u>	<u>\$ -</u>

See independent auditor's report.

WASHINGTON COUNTY, ARKANSAS, FEDERAL PROGRAMS

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

For the Year Ended December 31, 2022

	HIDTA- FY22	SAMHSA- FY20	SAMHSA- FY21	SAMHSA- FY22	DOJ- FY22	DHS- FY22	CRF- FY20	SCAAP- FY19	SCAAP- FY20	SCAAP- FY21	Total
Total program funds allocated	\$ 261,742	\$ 399,996	\$ 399,996	\$ 399,996	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,613,315
Less drawdowns in prior fiscal years	-	183,291	135,712	-	-	-	4,664,503	76,382	-	-	14,926,361
Less drawdowns during current period	7,744	94,566	264,112	78,723	187,602	17,536	-	-	96,191	121,746	7,236,647
Less expired funds	-	-	-	-	-	-	-	-	-	-	-
Program funds still available	<u>\$ 253,998</u>	<u>\$ 122,139</u>	<u>\$ 172</u>	<u>\$ 321,273</u>	<u>\$ (187,602)</u>	<u>\$ (17,536)</u>	<u>\$ (4,664,503)</u>	<u>\$ (76,382)</u>	<u>\$ (96,191)</u>	<u>\$ (121,746)</u>	<u>\$ (18,549,693)</u>
Program funds drawn down by recipient	\$ 7,744	\$ 94,566	\$ 264,112	\$ 78,723	\$ 187,602	\$ 17,536	\$ -	\$ -	\$ 96,191	\$ 121,746	\$ 7,236,647
Plus program funds available from prior year (committed to prior year)	-	-	-	-	-	-	-	-	-	-	-
Total program funds	7,744	94,566	264,112	78,723	187,602	17,536	-	-	96,191	121,746	7,236,647
Less funds applied to program costs	<u>7,744</u>	<u>96,050</u>	<u>260,464</u>	<u>125,482</u>	<u>163,546</u>	<u>16,958</u>	<u>-</u>	<u>5,571</u>	<u>-</u>	<u>-</u>	<u>6,448,370</u>
Total program funds available for disposition (committed)	<u>\$ -</u>	<u>\$ (1,484)</u>	<u>\$ 3,648</u>	<u>\$ (46,759)</u>	<u>\$ 24,056</u>	<u>\$ 578</u>	<u>\$ -</u>	<u>\$ (5,571)</u>	<u>\$ 96,191</u>	<u>\$ 121,746</u>	<u>\$ 788,277</u>

See independent auditor’s report.

Supplementary Data

For the Year Ended December 31, 2022

Name and Address:	Washington County 280 North College, Suite 530 Fayetteville, Arkansas 72701
Employer Identification Number:	71-6003197
Telephone Number:	(479) 444-1708
Contacts:	Patrick Deakins, County Judge Bridgett Russell, 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 auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* (“*GAS*”) issued by the Comptroller General of the United States, the schedule of expenditures of federal awards – cash basis of Washington County, Arkansas, Federal Programs for the year ended December 31, 2022, and the related notes (the “schedule”), and have issued our report thereon dated March 8, 2024.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the schedule, we considered Washington County, Arkansas, Federal Programs’ 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 opinion on the schedule, but not for the purpose of expressing an opinion on the effectiveness of Washington County, Arkansas, Federal Programs’ internal control. Accordingly, we do not express an opinion on the effectiveness of Washington County, Arkansas, Federal Programs’ 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 Washington County, Arkansas, Federal Programs’ schedule 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 or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Washington County, Arkansas, Federal Programs' schedule 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 schedule. 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 *GAS*.

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 Washington County, Arkansas, Federal Programs' internal control or on compliance. This report is an integral part of an audit performed in accordance with *GAS* in considering Washington County, Arkansas, Federal Programs' internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Frest, PLLC

Certified Public Accountants

Little Rock, Arkansas
March 8, 2024

**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

Opinion on Each Major Federal Program

We have audited Washington County, Arkansas, Federal Programs' compliance with the types of compliance requirements identified as subject to audit in the U.S. Office of Management and Budget *Compliance Supplement* that could have a direct and material effect on each of Washington County, Arkansas, Federal Programs' major federal programs for the year ended December 31, 2022. Washington County, Arkansas, Federal Programs' major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, Washington County, Arkansas, Federal Programs complied, in all material respects, with the 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, 2022.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America ("GAAS"); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States ("*Government Auditing Standards*"); 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"). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Washington County, Arkansas, Federal Programs and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of Washington County, Arkansas, Federal Programs' compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to Washington County, Arkansas, Federal Programs' federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Washington County, Arkansas, Federal Programs' compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, GAS, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Washington County, Arkansas, Federal Programs' compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, GAS, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Washington County, Arkansas, Federal Programs' compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Washington County, Arkansas, Federal Programs' internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances 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 Washington County, Arkansas, Federal Programs' internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on 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 a 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 Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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 8, 2024

Schedule of Findings and Questioned Costs

For the Year Ended December 31, 2022

Section I: Summary of Auditor’s Results

Schedule of Expenditures of Federal Awards

Type of auditor’s report issued: Unqualified

Internal control over financial reporting:

- Material weakness(es) identified? Yes No
- Significant deficiency(ies) identified? Yes None Reported

Noncompliance material to the schedule noted? Yes No

Federal Awards

Internal control over major federal programs:

- Material weakness(es) identified? Yes No
- Significant deficiency(ies) 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:

Federal Assistance Listing (“FAL”) Number(s) and Name of Federal Program or Cluster

Emergency Rental Assistance	21.023
Homeland Security/Federal Emergency Management Agency	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

Summary Schedule of Prior Audit Findings

For the Year Ended December 31, 2022

Section II: Federal Awards Findings

Material Weakness

Finding: 2021-001

Status of Prior

Finding: Washington County, Arkansas, Federal Programs established a review process to identify and correct errors related to its schedule of expenditures of federal awards reporting and a reconciliation of all grant activity.