

Benton County, Arkansas Federal Awards Programs

Single Audit Report

December 31, 2017

Benton County, Arkansas Federal Awards Programs
December 31, 2017

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Independent Auditor's Report on Schedule of Expenditures of Federal Awards

To the County Quorum Court
Benton County, Arkansas

Report on Schedule of Expenditures of Federal Awards

We have audited the accompanying schedule of expenditures of federal awards of Benton County, Arkansas Federal Awards Programs for the year ended December 31, 2017 and the related notes (the financial statement).

Management's Responsibility

Management is responsible for the preparation and fair presentation of this financial statement in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of a 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 this financial statement based on our audit. We conducted our audit 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, and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether 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 that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

To the County Quorum Court
Benton County, Arkansas
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Opinion

In our opinion, the financial statement referred to above presents fairly, in all material respects, the expenditures of federal awards of Benton County, Arkansas Federal Awards Programs for the year ended December 31, 2017, in accordance with accounting principles generally accepted in the United States of America.

BKD, LLP

Rogers, Arkansas
May 12, 2020

Benton County, Arkansas Federal Awards Programs

Schedule of Expenditures of Federal Awards

Year Ended December 31, 2017

Federal Grantor/Pass-through Grantor/Program or Cluster Title	Federal CFDA Number	Pass-through Entity Identifying Number	Passed Through to Subrecipients	Total Federal Expenditures
U.S. Department of Justice				
Juvenile Accountability Block Grant	16.523	N/A	\$ -	\$ 10,738
Missing Children's Assistance	16.543	N/A	-	12,296
Drug Court Discretionary Grant Program	16.585	N/A	-	26,582
Edward Byrne Memorial Justice Assistance Grant Program	16.738	N/A	-	10,554
Total U.S. Department of Justice			-	60,170
U.S. Department of Environmental Quality				
Arkansas Economic Development Commission Community Development Block Grants/State's Program	14.228	N/A	-	54,105
Arkansas Economic Development Commission Community Development Block Grants/State's Program	14.228	N/A	-	498,698
Total U.S. Department of Environmental Quality			-	552,803
U.S. Department of Transportation				
<i>Highway Safety Cluster</i>				
State and Community Highway Safety	20.600	N/A	-	75,480
<i>Cluster Total</i>			-	75,480
<i>Highway Planning and Construction Cluster</i>				
Arkansas State Highway and Transportation Department - Highway Planning and Construction	20.205	N/A	-	521,243
<i>Cluster Total</i>			-	521,243
Total U.S. Department of Transportation			-	596,723
U.S. Department of Health and Human Services				
Substance Abuse and Mental Health Services Projects of Regional and National Significance	93.243	N/A	-	240,422
Total U.S. Department of Health and Human Services			-	240,422
U.S. Department of Homeland Security				
Arkansas Department of Emergency Management Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	FEMA-4143-DR-AR #1	-	244,647
Arkansas Department of Emergency Management Homeland Security Grant Program	97.067	2014-LETPP-SHSGP	-	598,681
Total U.S. Department of Homeland Security			-	843,328
Total Expenditures of Federal Awards			\$ -	\$ 2,293,446

The accompanying notes are an integral part of this schedule

Benton County, Arkansas Federal Awards Programs
Notes to the Schedule of Expenditures of Federal Awards
Year Ended December 31, 2017

Notes to Schedule

1. The accompanying schedule of expenditures of federal awards (Schedule) includes the federal award activity of Benton County, Arkansas Federal Awards Programs under programs of the federal government for the year ended December 31, 2017. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of Benton County, Arkansas Federal Awards Programs, it is not intended to and does not present the fund balance or changes in fund balance of Benton County, Arkansas Federal Awards Programs.
2. Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Benton County, Arkansas Federal Awards Programs has elected not to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

Report on Compliance for Each Major Federal Program and Report on Internal Control over Compliance

Independent Auditor's Report

To the County Quorum Court
Benton County, Arkansas

Report on Compliance for Each Major Federal Program

We have audited Benton County, Arkansas Federal Awards Programs' (the Programs) compliance with the types of compliance requirements described in the OMB *Compliance Supplement* that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2017. The Programs' 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 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 Benton County, Arkansas Federal Award Programs' major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Programs' compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the Programs' compliance.

Opinion on Each Major Federal Program

In our opinion, Benton County, Arkansas Federal Awards Programs 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, 2017.

Report on Internal Control Over Compliance

Management of the Programs 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 Programs 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 our 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 Programs' 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.

BKD, LLP

Rogers, Arkansas
May 12, 2020

Benton County, Arkansas Federal Awards Programs
Schedule of Findings and Questioned Costs
Year Ended December 31, 2017

Summary of Auditor's Results – Audit of Financial Statements (Arkansas Division of Legislative Audit)

Financial Statements

1. The type of report the auditor issued on whether the financial statements audited were prepared in accordance with accounting principles generally accepted in the United States of America (GAAP) was:

Unmodified Qualified Adverse Disclaimer

2. The type of report the auditor issued on whether the financial statements audited were prepared in accordance with the regulatory basis of accounting was:

Unmodified Qualified Adverse Disclaimer

3. The independent auditor's report on internal control over financial reporting disclosed:

Significant deficiency(ies)? Yes None Reported

Material weakness(es)? Yes No

4. Noncompliance considered material to the financial statements was disclosed by the audit?

Yes No

Summary of Auditor's Results – Audit of Schedule of Expenditures of Federal Awards and Uniform Guidance Reporting (BKD, LLP)

Schedule of Expenditures of Federal Awards

1. The type of report the auditor issued on whether the schedule of expenditures of federal awards audited was prepared in accordance with accounting principles generally accepted in the United States of America (GAAP) was:

Unmodified Qualified Adverse Disclaimer

Benton County, Arkansas Federal Awards Programs
Schedule of Findings and Questioned Costs (Continued)
Year Ended December 31, 2017

Federal Awards

2. The independent auditor's report on internal control over compliance for major federal awards programs disclosed:

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

3. The opinions expressed in the independent auditor's report on compliance for major federal awards were:

Unmodified Qualified Adverse Disclaimed

4. The audit disclosed findings required to be reported by 2 CFR 200.516(a)? Yes No

5. The Programs' major programs were:

Cluster/Program	CFDA Number
Highway Planning and Construction Cluster/ Highway Planning and Construction	20.205
Community Development Block Grants/State's Program	14.228

6. The threshold used to distinguish between Type A and Type B programs was \$ 750,000.

7. The Programs qualified as a low-risk auditee? Yes No

Benton County, Arkansas Federal Awards Programs
Schedule of Findings and Questioned Costs (Continued)
Year Ended December 31, 2017

Findings Required to be Reported by Uniform Guidance

Reference Number	Finding
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No matters are reportable.

Benton County, Arkansas Federal Awards Programs
Summary Schedule of Prior Audit Findings
Year Ended December 31, 2017

Reference Number	Finding
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No matters are reportable.