

ANDERSON COUNTY, SOUTH CAROLINA

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
AND COMPLIANCE REPORTS**

YEAR ENDED JUNE 30, 2017

ANDERSON COUNTY, SOUTH CAROLINA

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YEAR ENDED JUNE 30, 2017

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ANDERSON COUNTY, SOUTH CAROLINA

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

YEAR ENDED JUNE 30, 2017

Program	Federal CFDA Number	Grant / Contract Number	Expenditures	Expenditures to Subrecipients
US DEPARTMENT OF AGRICULTURE				
Passed Through SC Department of Social Services: State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	N/A	\$ 54,864	\$ -
TOTAL US DEPARTMENT OF AGRICULTURE			54,864	-
US DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT				
Direct				
Home Investment Partnerships Program - HOME Program	14.239	M14-DC-45-0212	184,826	-
Home Investment Partnerships Program - HOME Program	14.239	M15-DC-45-0212	77,690	-
Total 14.239			262,516	-
Pass Through SC Department of Commerce Community Development Block Grants/State's program	14.228	4-CI-15-002	614,987	577,487
TOTAL US DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT			877,503	577,487
US DEPARTMENT OF JUSTICE				
Direct				
JAG Grant Cluster				
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2015-DJ-BX-0291	39,221	-
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2016-DJ-BX-0671	8,251	-
Total 16.738			47,472	-
Equitable Sharing Program	16.922	SC0040000	74,183	-
TOTAL US DEPARTMENT OF JUSTICE			121,655	-
US DEPARTMENT OF TRANSPORTATION				
Direct				
Airport Improvement Program	20.106	3-45-0004-020-2016	214,079	-
Airport Improvement Program	20.106	3-45-0004-020-2017	152,886	-
Airport Improvement Program	20.106	N/A	39,176	-
Total 20.106			406,141	-
Passed Through Greenville County/Greenville Pickens Area Transportation Study Highway Planning & Construction - Pendleton Area Bicycle and Pedestrian Plan	20.205	N/A	18,033	-
TOTAL US DEPARTMENT OF TRANSPORTATION			424,174	-
US DEPARTMENT OF HOMELAND SECURITY				
Passed through SC Emergency Management Division:				
Pre-Disaster Mitigation (PDM) Competitive Grant Program	97.017	PDMC-PL-04-SC-2015-009	44,546	-
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	FEMA-4241-DR-SC	229,898	-
Emergency Management Performance Grants (EMPG)	97.042	15EMPG01	62,711	-
Emergency Management Performance Grants (EMPG)	97.042	16EMPG01	80,188	-
Total 97.042			142,899	-
Passed through the SC Law Enforcement Division:				
Homeland Security Grant Program (HSGP and THSGP)	97.067	15SHSP04	96,000	-
Homeland Security Grant Program (HSGP and THSGP)	97.067	15SHSP16	56,733	-
Homeland Security Grant Program (HSGP and THSGP)	97.067	16SHSP03	63,725	-
Homeland Security Grant Program (HSGP and THSGP)	97.067	16SHSP10	35,873	-
Homeland Security Grant Program (HSGP and THSGP)	97.067	16SHSP17	57,137	-
Total 97.067			309,468	-
TOTAL US DEPARTMENT OF HOMELAND SECURITY			\$ 726,811	\$ -

See accompanying notes to the schedule of expenditures federal awards.

(Continued)

ANDERSON COUNTY, SOUTH CAROLINA

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

YEAR ENDED JUNE 30, 2017

Program	Federal CFDA Number	Grant / Contract Number	Expenditures	Expenditures to Subrecipients
US DEPARTMENT OF HEALTH AND HUMAN SERVICES				
Passed Through SC Department of Social Services:				
Child Support Enforcement IV-D Transaction Reimbursement	93.563	N/A	\$ 275,005	\$ -
Child Support Enforcement IV-D Incentive Payments	93.563	N/A	84,168	-
Child Support Enforcement IV-D Service of Process Payments	93.563	N/A	35,145	-
Child Support Enforcement IV-D Filing Fees	93.563	N/A	47,100	-
Child Support Enforcement IV-D Administration Expense	93.563	N/A	89	-
	Total 93.563		<u>441,507</u>	<u>-</u>
Administration Expense				
Promoting Safe and Stable Families	93.556	N/A	533	-
Temporary Assistance for Needy Families (TANF)	93.558	N/A	72,049	-
Foster Care - Title IV-E	93.658	N/A	27,532	-
Social Service Block Grant	93.667	N/A	10,769	-
Child Care Mandatory and Matching Funds of the Child Care and Development Fund	93.596	N/A	333	-
Centers For Medicare And Medicaid Services (CMS)				
Medical Assistance Program	93.778	N/A	8,970	-
TOTAL US DEPARTMENT OF HEALTH AND HUMAN SERVICES			<u>561,693</u>	<u>-</u>
TOTAL FEDERAL FINANCIAL ASSISTANCE			<u>\$ 2,766,700</u>	<u>\$ 577,487</u>

See accompanying notes to the schedule of expenditures federal awards.

ANDERSON COUNTY, SOUTH CAROLINA

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

YEAR ENDED JUNE 30, 2017

A. BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards (the "Schedule") presents the activity of all federal award programs of Anderson County, South Carolina (the "County") for the year ended June 30, 2017. Expenditures for federal financial assistance awarded directly from federal agencies, as well as those passed through other government agencies, are included on the Schedule. 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").

B. BASIS OF ACCOUNTING

The accompanying Schedule is presented using the modified accrual basis of accounting, which is described in the notes to the County's financial statements.

C. RELATIONSHIP TO THE FINANCIAL STATEMENTS

Federal award expenditures are reported in the County's financial statements generally as expenditures or expenses in the County's General Fund, special revenue funds, and enterprise funds.

D. MATCHING COSTS

Matching costs (i.e., the non-federal share of certain program costs) are not included in the accompanying Schedule.

E. INDIRECT COST RATE

The County has elected not to use the 10-percent de minimus indirect cost rate allowed under the Uniform Guidance.

F. OUTSTANDING LOAN BALANCES

The County's South Carolina Water Pollution Control Revolving Fund Loans were received in previous fiscal years and have no significant continuing compliance requirements. The County did not make or receive any new loans during the current fiscal year and thus no amounts are shown as federal assistance expended in the accompany Schedule as required by the Uniform Guidance.



Greene Finney, LLP

CERTIFIED PUBLIC ACCOUNTANTS & ADVISORS

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

INDEPENDENT AUDITOR'S REPORT

The Members of County Council
Anderson County
Anderson, South Carolina

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Anderson County, South Carolina (the "County") as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated December 22, 2017.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the County's internal control over financial reporting (internal control) 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 the County's internal control. Accordingly, we do not express an opinion on the effectiveness of the County's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the County's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the 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*.

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Purpose of this Report

This report is intended 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 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.

A handwritten signature in black ink that reads "Greene Finney, LLP". The script is cursive and fluid, with the letters "G", "F", and "L" being particularly prominent.

Greene Finney, LLP
Mauldin, South Carolina
December 22, 2017



Greene Finney, LLP

CERTIFIED PUBLIC ACCOUNTANTS & ADVISORS

REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM; REPORT ON INTERNAL CONTROL OVER COMPLIANCE; AND REPORT ON SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS REQUIRED BY THE UNIFORM GUIDANCE

INDEPENDENT AUDITOR'S REPORT

The Members of County Council
Anderson County
Anderson, South Carolina

Report on Compliance for Each Major Federal Program

We have audited Anderson County, South Carolina's (the "County") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the County's major federal programs for the year ended June 30, 2017. 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 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 the County's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance"). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Opinion on Each Major Federal Program

In our opinion, the County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2017.

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Report on Internal Control Over Compliance

Management of the County is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the County's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for 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.

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

We have audited the financial statements of the County as of and for the year ended June 30, 2017, and have issued our report thereon dated December 22, 2017, which contained an unmodified opinion on those financial statements. Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the financial statements as a whole.



Greene Finney, LLP
Mauldin, South Carolina
December 22, 2017

ANDERSON COUNTY, SOUTH CAROLINA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

YEAR ENDED JUNE 30, 2017

Section I - Summary of Auditor's Results

Financial Statements

Type of auditors' report issued: Unmodified

Internal control over financial reporting:

Material weakness(es) identified?	_____ Yes	_____ <u>X</u> No
Significant deficiency(ies) identified that are not considered to be material weaknesses?	_____ 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 that are not considered to be material weaknesses?	_____ Yes	_____ <u>X</u> None Reported

Type of auditors' report issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516 (Uniform Guidance)?	_____ Yes	_____ <u>X</u> No
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Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
14.228	Community Development Block Grants/State's program
93.563	Child Support Enforcement
97.067	Homeland Security Grant Program

Dollar threshold used to distinguish between type A and type B programs:	_____ \$ 750,000
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Auditee qualified as low-risk auditee?	_____ Yes	_____ <u>X</u> No
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Section II - Current Year Financial Statement Findings

No matters to report.

Section III - Findings and Questioned Costs - Major Federal Awards Programs Audit

No matters to report.

ANDERSON COUNTY, SOUTH CAROLINA

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

YEAR ENDED JUNE 30, 2017

Prior Year Financial Statement Findings

2016-001: SC DEPARTMENT OF TRANSPORTATION CONSTRUCTION GRANT CLAIMS PROCESS / GRANT RECEIVABLE

Condition: The County incurred approximately \$4.8 million in property development costs over the thirteen months ended June 30, 2016. Under a grant from the State of South Carolina, the County was to be reimbursed for these costs. However, the County did not file reimbursement requests under the grant until December 2016. Through the date of the grant request, the County had incurred approximately \$5.4 million in reimbursable costs. Additionally, the County did not record a receivable for these costs as they were incurred, but instead recorded the receivable when the grant request was filed in December 2016. From a cash flow perspective, the County should file regular reimbursement claims once significant unreimbursed costs have accumulated. From an accounting standpoint, as reimbursable costs under the grant are incurred, a grant receivable should be recorded.

Criteria: The County should have appropriate internal controls in place to ensure that reimbursement claims under grants are timely filed and that all receivables for reimbursable costs are recorded in a timely manner.

Context, Cause and Effect: The Economic Development department failed to file a claim for reimbursement under the grant until December 2016 when this matter was discussed as a result of the financial statement audit. The Finance department did not properly identify and had not initially recorded the receivable transaction because it was waiting for the reimbursement claim to be filed before recording a receivable. When this matter was brought to the County's attention, the Finance department corrected the financial statements for the year ended June 30, 2016 by recording the applicable grant revenue and related receivable.

Status: The County is filing grant reimbursements more timely during the year ended June 30, 2017.

Prior Year Federal Award Findings and Questioned Costs

No matters to report.