

COUNTY OF CHARLESTON, SOUTH CAROLINA

SUPPLEMENTAL FEDERAL FINANCIAL
ASSISTANCE REPORTS

YEAR ENDED JUNE 30, 2015

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COUNTY OF CHARLESTON, SOUTH CAROLINA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2015

Federal Grantor / Pass-Through Grantor / Program Title	FEDERAL CFDA NUMBER	AWARD NUMBER	FEDERAL EXPENDITURES	EXPENDITURES TO SUB-RECIPIENTS
<u>U.S. Department of HUD</u>				
Direct Programs:				
Urban Entitlement Grant - 2010	14.218	B-09-UC-45-0002	\$ 7,493	\$ 7,493
Urban Entitlement Grant - 2012	14.218	B-11-UC-45-0002	43,143	43,143
Urban Entitlement Grant - 2013	14.218	B-12-UC-45-0002	303,712	254,451
Urban Entitlement Grant - 2014	14.218	B-13-UC-45-0002	555,011	403,734
Urban Entitlement Grant - 2015	14.218	B-14-UC-45-0002	359,898	188,069
HOME Investment Partnership Program - 2004	14.239	M-03-UC-45-0204	1,817	1,817
HOME Investment Partnership Program - 2005	14.239	M-04-UC-45-0204	401	401
HOME Investment Partnership Program - 2006	14.239	M-05-UC-45-0204	31,306	31,306
HOME Investment Partnership Program - 2008	14.239	M-07-UC-45-0204	16,605	16,605
HOME Investment Partnership Program - 2009	14.239	M-08-UC-45-0204	976	976
HOME Investment Partnership Program - 2010	14.239	M-09-UC-45-0204	96,641	96,641
HOME Investment Partnership Program - 2011	14.239	M-10-UC-45-0204	176,939	176,939
HOME Investment Partnership Program - 2012	14.239	M-11-UC-45-0204	272,159	272,159
HOME Investment Partnership Program - 2013	14.239	M-12-UC-45-0204	36,971	30,855
HOME Investment Partnership Program - 2014	14.239	M-13-UC-45-0204	112,917	87,976
HOME Investment Partnership Program - 2015	14.239	M-14-UC-45-0204	24,709	-
Emergency Shelter Grants Program - 2014	14.231	E-13-UC-45-0001	46,110	37,686
Emergency Shelter Grants Program - 2015	14.231	E-14-UC-45-0001	97,770	97,770
Total Direct Programs			2,184,578	1,748,021
Total U.S. Department of HUD			2,184,578	1,748,021
<u>Environmental Protection Agency</u>				
Direct Programs:				
Brownsfield Assessment FY12	66.818	BF-95483111-0	19,633	-
Total Direct Programs			19,633	-
Total Environmental Protection Agency			19,633	-
<u>U.S. Department of Health and Human Services</u>				
Passed Through S.C. Department of Alcohol and Other Drug Abuse Services (SC DAODAS):				
PAIRS FY14	93.558	CHA-PAIRS-4	> 79,375	-
PAIRS FY15	93.558	CHA-PAIRS-15	> 170,313	-
SC DAODAS State Block Grant FY15	93.959	CHA-BG-15	1,373,079	-
Total Pass-Through from SC DAODAS			1,622,767	-
Passed Through Medical University of South Carolina				
Psychological First Aid for Victims of Crime FY14	93.959	NA	1,500	-
Total Pass-Through from MUSC			1,500	-
Passed Through S.C. Department of Social Services (DSS):				
Child Support Enforcement IV-D Filing Fees FY15	93.563	C15010C	361,949	-
Child Support Enforcement IV-D Unit Cost Reimbursement FY15	93.563	C15010C	856,881	-
Child Support Enforcement IV-D Incentive Payments FY15	93.563	C15010C	163,878	-
Child Support Enforcement IV-D Filing Fees FY15	93.563	C15010S	7,765	-
Child Support Enforcement IV-D Unit Cost Reimbursement FY15	93.563	C15010S	66,116	-
Total Pass-Through from SC DSS			1,456,589	-
Total U.S. Department of Health and Human Services			3,080,856	-

> - part of Temporary Aid to Needy Families federal awards cluster

See Accompanying Notes to Schedule of Expenditures of Federal Awards.

COUNTY OF CHARLESTON, SOUTH CAROLINA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2015

Federal Grantor / Pass-Through Grantor / Program Title	FEDERAL CFDA NUMBER	AWARD NUMBER	FEDERAL EXPENDITURES	EXPENDITURES TO SUB-RECIPIENTS
<u>U.S. Department of Justice</u>				
Direct Programs:				
Federal Equitable Sharing FY15	16.000	SC0100000	\$ 55,188	\$ -
State Criminal Alien Assistance Program FY15	16.606	2014-AP-BX-0397	128,915	-
JAG FY14	16.738	2013-DJ-BX-1046	14,408	-
JAG FY14	16.738	2013-DJ-BX-1046	14,099	-
JAG FY15	16.738	2014-DJ-BX-1118	14,125	-
Total Direct Programs			226,735	-
Passed Through SC Department of Public Safety:				
Victim of Crime Act FY15	16.575	1V14097	81,365	-
Violence Against Women FY14	16.588	1K13005	6,188	-
Violence Against Women FY15	16.588	1K13052	16,043	-
Violence Against Women FY15	16.588	1K14005	49,697	-
Drug & Violent Crime - Berkeley County FY15	16.738	1G10063	119,003	-
Juvenile Crime Investigator - Berkeley County FY15	16.738	1G13027	68,862	-
Coverdell Forensic Science Improvement FY14	16.742	1NF13001	4,418	-
Cremation Authorization Assistant FY15	16.742	1NF14001	15,642	-
Total Pass-Through S.C. Department of Public Safety			361,218	-
Passed Through City of North Charleston:				
JAG FY13	16.738	2012-DJ-BX-0997	4,532	-
JAG FY14	16.738	2013-DJ-BX-0511	8,526	-
JAG FY15	16.738	2014-DJ-BX-0015	20,000	-
Total Passed-Through City of North Charleston			33,058	-
Passed Through S.C. Department of Alcohol and Other Drug Abuse Services (SC DAODAS):				
Military Underage Drinking FY13	16.727	CHA-MIL-3	98,238	-
Total Passed Through S.C. Department of Alcohol and Other Drug Abuse Services (SC DAODAS)			98,238	-
Total U.S. Department of Justice			719,249	-

See Accompanying Notes to Schedule of Expenditures of Federal Awards.

COUNTY OF CHARLESTON, SOUTH CAROLINA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2015

Federal Grantor / Pass-Through Grantor / Program Title	FEDERAL CFDA NUMBER	AWARD NUMBER	FEDERAL EXPENDITURES	EXPENDITURES TO SUB-RECIPIENTS
<u>U.S. Department of Transportation</u>				
Passed Through S.C. Emergency Management Division:				
HMEP Training Grant FY15	20.703	HM-HMP-0406-14-01-00	\$ 33,702	\$ -
Total Pass-Through from S.C. Emergency Management Division			33,702	-
Passed Through S.C. Department of Transportation (S.C. DOT):				
Folly & Camp Roads Intersection FY14	20.205	IGA-06-08-07	^A 199,226	-
Bees Ferry Widening Project FY12	20.205	IGA-06/08/07	^A 8,571,666	-
Ben Sawyer Causeway Improvements 14	20.205	LPA-08-13	^A 43,029	-
Harborview Road Improvements FY15	20.205	LPA-04-07(3)	^A 4,317,283	-
Total Pass-Through from S.C. DOT			13,131,204	-
Passed Through SC Department of Public Safety:				
DUI Enforcement Team FY14	20.600	K8FR-2014-HS-09-14	# 40,547	-
DUI Enforcement Team FY15	20.600	M4HVE-2015-HS-29-15	# 100,939	-
Total Passed Through SC Department of Public Safety			141,486	-
Total U.S. Department of Transportation			13,306,392	-
<u>U.S. Department of Homeland Security</u>				
Direct Programs:				
Port Security Grant FY15	97.056	EMW-2014-PU-00334-S01	37,000	-
Port Security Grant FY15	97.056	EMW-2013-PU-00185-S01	25,594	-
Port Security Grant FY15	97.056	EMW-2014-PU-00494-S01	52,185	-
Total Direct Programs			114,779	-
Passed Through S.C. Emergency Management Division:				
Local Emergency Management Performance FY14	97.042	13EMPG01	23,807	-
Local Emergency Management Performance FY15	97.042	14EMPG01	93,237	-
Total Pass-Through S.C. Emergency Management Division			117,044	-
# - part of Highway Safety Grant federal awards cluster				
^A - part of Highway Planning and Construction federal awards cluster				

See Accompanying Notes to Schedule of Expenditures of Federal Awards.

COUNTY OF CHARLESTON, SOUTH CAROLINA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2015

<u>Federal Grantor / Pass-Through Grantor / Program Title</u>	<u>FEDERAL CFDA NUMBER</u>	<u>AWARD NUMBER</u>	<u>FEDERAL EXPENDITURES</u>	<u>EXPENDITURES TO SUB-RECIPIENTS</u>
<u>U.S. Department of Homeland Security (cont.)</u>				
Passed Through S.C. Law Enforcement Division (SLED):				
Lowcountry Regional WMD Bomb Team #1 FY15	97.067	13SHSP14	\$ 8,928	\$ -
Lowcountry Regional WMD/HazMat Team FY14	97.067	13SHSP21	<u>7,809</u>	<u>-</u>
Total Pass-Through SLED			<u>16,737</u>	<u>-</u>
Total U.S. Department of Homeland Security			<u>248,560</u>	<u>-</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS			<u>\$ 19,559,268</u>	<u>\$ 1,748,021</u>

See Accompanying Notes to Schedule of Expenditures of Federal Awards.

COUNTY OF CHARLESTON, SOUTH CAROLINA
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2015

A. General

The accompanying Schedule of Expenditures of Federal Awards (the "Schedule") presents the activity of all federal awards programs of the County of Charleston, South Carolina (the "County") for the year ended June 30, 2015. The information in the Schedule is presented in accordance with the requirements of *OMB Circular A-133 Audits of States, Local Governments, and Non-Profit Organizations*. Expenditures for federal financial assistance awarded directly from federal agencies, as well as those passed through other government agencies, are included on the schedule.

B. Basis of Accounting

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

C. Relationship to the Basic Financial Statements

Federal award expenditures are reported in the County's basic financial statements as expenditures in the various funds for all federal programs.

D. Matching Costs

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

**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***

To the Members of County Council
County of Charleston, 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, each major fund, and the aggregate remaining fund information, other than the financial statements of the aggregate discretely presented component units, and the budgetary comparison schedule of the general fund, of the County of Charleston, South Carolina (the "County"), as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the County's basic financial statements and issued our report thereon dated January 18, 2016. We have also audited the financial statements of each of the County's non-major governmental, enterprise, internal service, and fiduciary funds, and the respective budgetary comparison schedules for the special revenue funds, presented as supplementary information in the combining financial statements and schedules, as of and for the year ended June 30, 2015. Our report includes a reference to other auditors. Other auditors audited the financial statements of the discretely presented component units included in the component unit column. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered 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 County'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 of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control 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.

Scott and Company LLC

Columbia, South Carolina
January 18, 2016

**Independent Auditor's Report on Compliance for Each Major Program, Report on Internal Control over Compliance, and Report on Schedule of Expenditures of Federal Awards
Required by OMB Circular A-133**

To the Members of County Council
County of Charleston, South Carolina

Report on Compliance for Each Major Federal Program

We have audited the County of Charleston, South Carolina's (the "County") compliance with the types of compliance requirements described in the *OMB Circular A-133 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, 2015. 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 OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 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, 2015.

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 OMB Circular A-133, 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 a 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.

Report on Schedule of Expenditures of Federal Awards Required by OMB Circular A-133

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information, other than the financial statements of the aggregate discretely presented component units, and the budgetary comparison schedule of the general fund, of the County of Charleston, South Carolina (the "County"), as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the County's basic financial statements. We have also audited the financial statements of each of the County's non-major governmental, enterprise, internal service, and fiduciary funds, and the respective budgetary comparison schedules for the special revenue funds, presented as supplementary information in the combining financial statements and schedules, as of and for the year ended June 30, 2015. We issued our report thereon dated January 18, 2016, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial

statements and other information discussed above. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the financial statements as a whole.

Scott and Company LLC

Columbia, South Carolina
January 18, 2016

**COUNTY OF CHARLESTON, SOUTH CAROLINA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2015**

Section I—Summary of Auditor's Results

Financial Statements:

We have issued unmodified opinions dated January 18, 2016 on the financial statements of the County of Charleston, South Carolina.

Internal control over financial reporting:

- | | |
|---|---------------|
| • Material weaknesses identified? | No |
| • Significant deficiencies identified? | None Reported |
| • Noncompliance material to financial statements noted? | No |

Federal Awards:

Internal control over major programs:

- | | |
|--|---------------|
| • Material weaknesses identified? | No |
| • Significant deficiencies identified? | None Reported |

We have issued an unmodified opinion dated January 18, 2016 on the County of Charleston, South Carolina's compliance for its major programs.

- | | |
|--|----|
| • Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Circular A-133? | No |
|--|----|

Identification of major programs

CFDA Number

14.218

20.205

Name of Federal Program

Urban Entitlement Grant (CDBG)

Highway Planning & Construction (cluster)

Dollar threshold used to be distinguished between Type A and Type B Programs: \$586,778

Auditee qualified as low-risk auditee? Yes

**COUNTY OF CHARLESTON, SOUTH CAROLINA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2015**

Section II - Financial Statement Findings:

None

Section III - Federal Award Findings and Questioned Costs:

None

Summary Schedule of Prior Audit Findings:

None