

**COUNTY OF CHARLESTON, SOUTH CAROLINA**

**SUPPLEMENTAL FEDERAL FINANCIAL  
ASSISTANCE REPORTS**

**FOR THE YEAR ENDED JUNE 30, 2018**

**SCOTT  COMPANY**

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COUNTY OF CHARLESTON, SOUTH CAROLINA  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2018

Federal Grantor / Pass-Through Grantor / Program or Cluster Title	FEDERAL CFDA NUMBER	PASS-THROUGH ENTITY IDENTIFICATION NUMBER	EXPENDITURES TO SUB-RECIPIENTS	TOTAL FEDERAL EXPENDITURES
<b><u>U.S. Department of Agriculture</u></b>				
Direct Program:				
Title I Secure Schools and Roads FY18	10.665		\$ -	\$ 62,092
Total CFDA 10.665 - Forest Service			-	62,092
Natural Resources Conservation Service	10.923		-	2,160,289
Total CFDA 10.923			-	2,160,289
Total Direct Program			-	2,222,381
<b>Total U.S. Department of Agriculture</b>			-	2,222,381
<b><u>U.S. Department of HUD</u></b>				
Direct Programs:				
Emergency Shelter Grants Program - 2017	14.231		25,012	25,012
Emergency Shelter Grants Program - 2018	14.231		114,883	114,883
Total CFDA 14.231			139,895	139,895
Urban Entitlement Grant - 2014	14.218		89,566	89,566
Urban Entitlement Grant - 2015	14.218		86,711	86,711
Urban Entitlement Grant - 2016	14.218		573,582	573,582
Urban Entitlement Grant - 2017	14.218		405,804	502,907
Urban Entitlement Grant - 2018	14.218		368,329	615,663
Total CFDA 14.218 CDBG - Entitlement			1,523,992	1,868,429
HOME Investment Partnership Program - 2014	14.239		6,135	6,135
HOME Investment Partnership Program - 2015	14.239		36,371	36,371
HOME Investment Partnership Program - 2016	14.239		124,105	153,141
HOME Investment Partnership Program - 2017	14.239		261,113	261,113
HOME Investment Partnership Program - 2018	14.239		11,170	11,170
Total CFDA 14.239			438,894	467,930
Total Direct Programs			2,102,781	2,476,254
<b>Total U.S. Department of HUD</b>			2,102,781	2,476,254
<b><u>U.S. Department of the Interior</u></b>				
Passed Through SC Department of Archives and History:				
Federal Historic Preservation Grant (259 Meeting Street Roof) FY18	15.904	NA	-	8,958
Total Pass-Through S.C. Department of Archives and History	Total CFDA 15.904		-	8,958
<b>Total U.S. Department of the Interior</b>			-	8,958
<b><u>U.S. Department of Justice</u></b>				
Direct Programs:				
Federal Equitable Sharing FY18	16.000		-	175,996
Total CFDA 16.000			-	175,996
Federal Coverdell Grant FY17	16.742		-	164,351
Total CFDA 16.742			-	164,351
Total Direct Programs			-	340,347

*The accompanying notes are an integral part of this schedule.  
See accompanying independent auditor's report.*

COUNTY OF CHARLESTON, SOUTH CAROLINA  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2018

Federal Grantor / Pass-Through Grantor / Program or Cluster Title	FEDERAL CFDA NUMBER	PASS-THROUGH ENTITY IDENTIFICATION NUMBER	EXPENDITURES TO SUB-RECIPIENTS	TOTAL FEDERAL EXPENDITURES
<b>U.S. Department of Justice</b>				
Passed Through SC Department of Public Safety:				
Victim of Crime Act FY17	16.575	IV16013	\$ -	\$ 50,907
Victim of Crime Act FY17	16.575	1V16032	-	95,257
Total CFDA 16.575			-	146,164
Violence Against Women FY17	16.588	1K16005	-	1,598
Total CFDA 16.588			-	1,598
Domestic Violence Investigator FY17	16.738	1G16002	-	16,807
Domestic Violence Investigator FY18	16.738	1G16023	-	55,402
Total CFDA 16.738			-	72,209
State Coverdell Grant FY17	16.742	1NF16002	-	14,962
Total CFDA 16.742			-	14,962
Total Pass-Through S.C. Department of Public Safety			-	234,933
Passed Through SC Office of Attorney General:				
Victim of Crime Act FY18	16.575	1V17004	-	169,654
Victim of Crime Act FY18	16.575	1V17029	-	279,082
Total CFDA 16.575			-	448,736
Violence Against Women FY18	16.588	1K15041	-	36,835
Violence Against Women FY18	16.588	1K17006	-	26,349
Total CFDA 16.588			-	63,184
Total Pass-Through S.C. Office of Attorney General			-	511,920
<b>Total U.S. Department of Justice</b>			-	1,087,200
<b>U.S. Department of Transportation</b>				
Passed Through S.C. Emergency Management Division:				
HMEP Training Grant FY18	20.703	HM-HMP-0566-16-02-00	-	29,077
Total CFDA 20.703			-	29,077
Total Pass-Through from S.C. Emergency Management Division			-	29,077
Passed Through S.C. Department of Transportation (S.C. DOT):				
Folly & Camp Roads Intersection FY14	20.205	IGA-04-07 (6) Mod 1	-	3,310,721
Total CFDA 20.205 Highway Planning and Construction Cluster			-	3,310,721
Total Pass-Through from S.C. DOT			-	3,310,721
Passed Through SC Department of Public Safety:				
DUI Enforcement Team FY17	20.600	M4HVE-2017-HS-29-17	-	17,460
Speed Enforcement FY18	20.600	PT-2018-HS-08-18	-	176,119
Total CFDA 20.600 Highway Safety			-	193,579
Total Pass-Through SC Department of Public Safety			-	193,579
<b>Total U.S. Department of Transportation</b>			-	3,533,377

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COUNTY OF CHARLESTON, SOUTH CAROLINA  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2018

Federal Grantor / Pass-Through Grantor / Program or Cluster Title	FEDERAL CFDA NUMBER	PASS-THROUGH ENTITY IDENTIFICATION NUMBER	EXPENDITURES TO SUB-RECIPIENTS	TOTAL FEDERAL EXPENDITURES
<b><u>National Endowment for the Humanities</u></b>				
Direct Programs:				
Preservation Assistance FY18	45.149		\$ -	\$ 4,318
Total Direct Programs	Total CFDA 45.149		-	4,318
<b>Total National Endowment for the Humanities</b>			-	4,318
<b><u>U.S. Department of Health and Human Services</u></b>				
Passed Through S.C. Department of Social Services (DSS):				
Child Support Enforcement IV-D Filing Fees FY18	93.563	C18010C	-	350,235
Child Support Enforcement IV-D Unit Cost Reimbursement FY18	93.563	C18010C	-	1,331,385
Child Support Enforcement IV-D Incentive Reimbursements FY18	93.563	C18010C	-	166,416
Child Support Enforcement IV-D Filing Fees FY18	93.563	C18010S	-	9,132
Child Support Enforcement IV-D Unit Cost Reimbursement FY18	93.563	C18010S	-	43,709
Total CFDA 93.563			-	1,900,877
Total Pass-Through from SC DSS			-	1,900,877
Passed Through S.C. Department of Alcohol and Other Drug Abuse Services (SC DAODAS):				
Screening Brief Intervention & Referral FY17	93.243	CHA-SBIRT-17	-	11,380
Screening Brief Intervention & Referral FY18	93.243	CHA-SBIRT-18	-	182,691
Total CFDA 93.243			-	194,071
PAIRS FY17	93.558	CHA-PAIRS-17	-	38,938
PAIRS FY18	93.558	CHA-PAIRS-18	-	139,875
Total CFDA 93.558 TANF Cluster			-	178,813
SC DAODAS State Block Grant FY18	93.959	CHA-BG-18	-	1,367,579
Total CFDA 93.959			-	1,367,579
Total Pass-Through from SC DAODAS			-	1,740,463
Passed Through S.C. Department of Environmental Control (DHEC):				
Mosquito Control FY18	93.323	EQ-8-134	-	7,887
Total CFDA 93.323			-	7,887
Total Pass-Through from SC DHEC			-	7,887
Passed Through Medical University of South Carolina				
MUSC Medication Assisted Treatment (MAT) Access Emergency Department FY18	93.226	MUSC 18-001-8D073	-	24,298
Total CFDA 93.226			-	24,298
MUSC Meditation FY16	93.279	MUSC 15-097	-	41,958
Total CFDA 93.279			-	41,958
Total Pass-Through from MUSC			-	66,256
<b>Total U.S. Department of Health and Human Services</b>			-	3,715,483

*The accompanying notes are an integral part of this schedule.  
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COUNTY OF CHARLESTON, SOUTH CAROLINA  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2018

Federal Grantor / Pass-Through Grantor / Program or Cluster Title	FEDERAL CFDA NUMBER	PASS-THROUGH ENTITY IDENTIFICATION NUMBER	EXPENDITURES TO SUB-RECIPIENTS	TOTAL FEDERAL EXPENDITURES
<b>U.S. Department of Homeland Security</b>				
Direct Programs:				
Port Security Grant FY17	97.056		\$ -	\$ 226,335
Port Security Grant FY17	97.056		-	121,480
Port Security Grant FY18	97.056		-	82,500
Total Direct Programs	Total CFDA 97.056		-	430,315
Passed Through S.C. Emergency Management Division:				
Public Assistance (Presidentially Declared Disasters ) FY16	97.036	FEMA-4241-DR-SC	-	26,261
Public Assistance (Presidentially Declared Disasters ) FY17	97.036	FEMA-4286-DR-SC	-	9,655,742
	Total CFDA 97.036		-	9,682,003
Project Impact Public Outreach FY16	97.039	FEMA-DR-4166-SC-041	-	11,213
	Total CFDA 97.039		-	11,213
Local Emergency Management Performance FY17	97.042	16EMPG01	-	10,371
Local Emergency Management Performance FY18	97.042	17EMPG01	-	88,384
	Total CFDA 97.042		-	98,755
Total Pass-Through S.C. Emergency Management Division			-	9,791,971
Passed Through S.C. Law Enforcement Division (SLED):				
Lowcountry Regional WMD Bomb Team FY16	97.067	15SHSP05	-	9,836
Lowcountry Regional WMD Bomb Team FY17	97.067	16SHSP05	-	25,561
HazMat Regional WMD Team FY18	97.067	17SHSP17	-	69,470
Lowcountry Regional WMD SWAT Team FY17	97.067	16SHSP12	-	20,458
Lowcountry Regional WMD SWAT Team FY18	97.067	17SHSP11	-	2,474
	Total CFDA 97.067		-	127,799
Total Pass-Through SLED			-	127,799
<b>Total U.S. Department of Homeland Security</b>			-	10,350,085
<b>TOTAL EXPENDITURES OF FEDERAL AWARDS</b>			\$ 2,102,781	\$ 23,398,056

*The accompanying notes are an integral part of this schedule.  
See accompanying independent auditor's report.*



**COUNTY OF CHARLESTON, SOUTH CAROLINA**  
**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**YEAR ENDED JUNE 30, 2018**

**Note A - Basis of Presentation**

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal award activity of Charleston County (the "County") under programs of the federal government for the year ended June 30, 2018. The information in the 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 the County, it is not intended to and does not present the financial position or changes in net assets of the County.

**Note B - Summary of Significant Accounting Policies**

1 – The financial information shown in the Schedule of Expenditures of Federal Awards reflects amounts recorded by Charleston County during its fiscal year July 1, 2017 through June 30, 2018. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowed or are limited as to reimbursement.

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

**Note C - 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, 2018, and the related notes to the financial statements, which collectively comprise the County's basic financial statements and issued our report thereon dated December 17, 2018. 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, 2018. Our report includes a reference to other auditors who audited the financial statements of the discretely presented component units. 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 from 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.

Columbia, South Carolina  
December 17, 2018

**Independent Auditor's Report on Compliance for Each Major Program and on Internal Control over Compliance and Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance**

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 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, 2018. 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 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 audit requirements of Title 2 U.S. *Code of 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, 2018.

## **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 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.

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 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, 2018, 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, 2018. We issued our report thereon dated December 17, 2018, 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 the Uniform Guidance 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 basic financial statements as a whole.

Columbia, South Carolina  
January 15, 2019

**COUNTY OF CHARLESTON, SOUTH CAROLINA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
YEAR ENDED JUNE 30, 2018**

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

**Financial Statements:**

We have issued unmodified opinions dated December 17, 2018 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 15, 2019 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 2 CFR 200.516(a)? No

**Identification of major programs**

CFDA Number

10.923

14.218

97.036

Name of Federal Program

Natural Resources Conservation Service

CDBG - Entitlement Grants Cluster

Disaster Grants – Public Assistance (Presidentially Declared Disasters)

Dollar threshold used to be distinguished between Type A and Type B Programs: \$750,000

Auditee qualified as low-risk auditee? Yes



**COUNTY OF CHARLESTON, SOUTH CAROLINA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
YEAR ENDED JUNE 30, 2018**

**Section II - Financial Statement Findings:**

None Reported.

**Section III - Federal Award Findings and Questioned Costs:**

None Reported.

**Summary Schedule of Prior Audit Findings:**

Finding 2017-001 - Bank Accounts not Reported to Treasurer's Office

**Condition:** The Register Mesne Conveyance "RMC" office failed to follow the internal control procedures on the opening, closing and management of bank accounts established by the County's financial policies. The RMC office held seventeen agency cash accounts that were not properly reported to the Treasurer as required under the County's financial policies

**Current Status:** The County implemented new procedures that included having both management and the internal audit department receive a listing of all bank and investment accounts held by all departments including elected officials on a minimum of an annual basis. Management also works with Internal Audit to compare listings of accounts held by appointed and elected officials. There were no similar findings noted in the 2018 audit.