

UNION COUNTY, SOUTH CAROLINA
SINGLE AUDIT REPORT ON
EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2020

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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 County Council of
Union County, South Carolina

Independent Auditor's Report

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to the financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Union County, South Carolina (the County), as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the County's basic financial statements and have issued our report thereon dated April 28, 2021. Our report includes a reference to other auditors who audited the financial statements of the Union County Carnegie Library, as described in our report on the County's financial statements. 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) as a basis for designing 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 Union County, South Carolina'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 financial statements. 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*.

To the County Council of
Union County, South Carolina

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 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.

Halliday, Schwartz & Co.

Union, South Carolina
April 28, 2021

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

To the County Council of
Union County, South Carolina

Independent Auditor's Report

Report on Compliance for Each Major Federal Program

We have audited Union County, South Carolina's 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, 2020. 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 Union County, South Carolina'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* (CFR) 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 Union County, South Carolina's compliance.

Opinion on Each Major Federal Program

In our opinion, Union County, South Carolina 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, 2020.

To the County Council of
Union, South Carolina

Report on Internal Control over Compliance

Management of Union County, South Carolina 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 Union County, South Carolina'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.

To the County Council of
Union, South Carolina

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

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Union County, South Carolina, as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the County's basic financial statements. We issued our report thereon dated April 28, 2021, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. 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 taken as a whole.

Halliday, Schwartz & Co.

Union, South Carolina
April 28, 2021

**UNION COUNTY, SOUTH CAROLINA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

Federal Grantor/Pass Through Grantor/Program Title	Federal CFDA Number	Pass- through Grantor's Number	Pass Through to Subrecipients	Expenditures
U.S. Department of Agriculture - Forest Services				
Passed through U.S. Forrestry Commission				
Forest Service Schools and Roads Cluster				
US Forestry Funds	10.666	N/A	\$ -	\$ 110,946
Total Forest Service Schools and Roads Cluster			-	110,946
Total U.S. Department of Agriculture - Forest Services			-	110,946
U.S. Department of Housing and Urban Development				
Passed through S.C. Department of Commerce				
CDBG - Entitlement Grants Cluster				
CDBG Entitlement Funds	14.218	4-CI-18-011	424,762	424,762
Total CDBG - Entitlement Grants Cluster			424,762	424,762
Total U.S. Department of Housing and Urban Development			424,762	424,762
U.S. Department of Transportation				
Passed through Federal Aviation Authority - Atlanta				
Airport Entitlement Grant	20.106	3-45-0056-011-2019	-	273,096
Total U.S. Department of Transportation			-	273,096
U.S. Department of the Treasury				
Passed through State of South Carolina				
COVID-19 - CARES Act Coronavirus Relief Funds	21.019	20 CARES	-	43,405
Total U.S. Department of the Treasury			-	43,405
U.S. Department of Health and Human Services				
Passed through Substance Abuse and Mental Health Services Administration				
Block Grant for Prevention & Treatment of Substance Abuse	93.959	SAPT BG 19	-	246,302
Block Grant for Prevention & Treatment of Substance Abuse	93.959	SAPT BG 18	-	5,449
Passed through S.C. Office of Emergency Services				
COVID 19 - Corona Virus Relief Act Funds - Emergency Management	93.498	20 CARES	-	27,422
Passed through S.C. Department of Social Services				
Child Support Enforcement - Title IV-D Filing Fees	93.563	N/A	-	121,200
Child Support Enforcement - Title IV-D Filing Fees	93.563	N/A	-	18,535
Passed through Center for Substance Abuse Treatments				
Opioid STR (State Targeted Response)	93.788	SOR 20	-	55,237
Opioid STR (State Targeted Response)	93.788	SOR 19	-	33,839
Opioid STR (State Targeted Response)	93.788	SOR - SUP	-	17,368
Total U.S. Department of Health and Human Services			-	525,352
U.S. Department of Homeland Security				
Passed through SC Department of Homeland Security				
Emergency Management Performance Grant	97.042	FEMA-4492-DR-SC 087-99087-00	-	15,300
Total U.S. Department of the Treasury			-	15,300
Total Federal Financial Assistance Expended			\$ 424,762	\$ 1,392,861

See accompanying notes to schedule of expenditures of federal awards.

**UNION COUNTY, SOUTH CAROLINA
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
JUNE 30, 2020**

NOTE 1 - BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of Union County, South Carolina under programs of the federal government for the year ended June 30, 2020. 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 Union County, South Carolina, it is not intended to and does not present the financial position, changes in net assets, or cash flows of Union County, South Carolina.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance), wherein certain types of expenditures are not allowable or are limited as to reimbursement.

NOTE 3 - INDIRECT COST RATE

Union County, South Carolina has elected to use the 10% de minimis indirect cost rate allowed under the Uniform Guidance.

**UNION COUNTY, SOUTH CAROLINA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

Fiscal Year Ended June 30, 2020:

Financial Statements

Type of Auditor's Report Issued:

Unmodified

Internal Control Over Financial Reporting:

Material Weakness(es) Identified?

_____ Yes X No

Significant Deficiencies Identified That Are Not
Considered to be Material Weaknesses?

_____ Yes X None Reported

Noncompliance Material to Financial Statements Noted

_____ Yes X No

Federal Awards

Internal Control Over Major Programs:

Material Weakness(es) Identified?

_____ Yes X No

Significant Deficiencies Identified That Are Not
Considered to be Material Weaknesses?

_____ Yes X None Reported

Type of Auditor's Report Issued on Compliance
For Major Federal Programs

Unmodified

Any Audit Findings Disclosed That Are Required to be
Reported in Accordance with 2 CFR Part 200?

_____ Yes X No

Identification of Major Federal Programs:

CFDA Number(s)
20.106
14.218

Federal Program or Cluster
Airport Improvement Grant
CDBG Entitlement Grants Cluster

Dollar Threshold Used to Distinguish Between
Type A and Type B Programs:

\$ 750,000

Auditee Qualified as Low-Risk Auditee?

_____ Yes X No

Section II - Financial Statement Findings

None

Section III - Federal Award Findings and Questioned Costs

None

**UNION COUNTY, SOUTH CAROLINA
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

Fiscal Year Ended June 30, 2019:

There were no findings for the fiscal year ended June 30, 2019.