

Appendix D: Most Recent Single Audit

THE BRITTINGHAM GROUP, L.L.P.

CERTIFIED PUBLIC ACCOUNTANTS

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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*

The Honorable Chairman and Members of
Lexington County Council
Lexington, 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 of the County of Lexington, Lexington South Carolina, (hereafter referred to as 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 have issued our report thereon dated December 28, 2015.

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*.

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.

The Brittingham Group LLP

December 28, 2015

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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133

To the Honorable Chairman and Members
Of The County Council For County of
Lexington, South Carolina

Report on Compliance for Each Major Federal Program

We have audited County of Lexington, South Carolina's (hereafter referred to as 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 identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs 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 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 OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

The Brittingham Group LLP

December 28, 2015

COUNTY OF LEXINGTON
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2015

SECTION 1—SUMMARY OF AUDITORS' RESULTS

Financial Statements

- 1. Type of Auditors' report issued. Unmodified
- 2. Internal Control over Financial Reporting:
 - A. Material weaknesses Identified None
 - B. Significant deficiency identified not considered being material weakness None
 - C. Noncompliance that is material to the financial statements identified None

Federal Awards

- 1. Internal control over major programs:
 - A. Material weaknesses identified None
 - B. Significant deficiency identified not considered being material weakness None
- 2. Type of Auditors' report issued on compliance for major programs Unmodified
- 3. Any Audit findings disclosed that are required to be reported in accordance with Circular A-133, Section 510(a) None
- 4. Identification of Major Program:

<u>CFDA Number</u>	<u>Name of Federal Program</u>
14.218	Community Development Block Grant
14.239	HOME Investment Partnership Programs
93.563	Child Support Enforcement

- 5. Dollar threshold used to distinguish between type A & B programs. \$300,000
- 6. Auditee qualified as a low-risk auditee under OMB Circular A-133, Section 530 No

SECTION 2 -- FINANCIAL STATEMENT FINDINGS None

SECTION 3 -- FEDERAL AWARD FINDINGS AND QUESTIONED COSTS No matters Reported

Prior year audit findings were addressed and corrected.

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

Federal Grantor Pass Through Grantor Program Title	County Fund No.	Federal CFDA Number	Cluster	Pass Through Grantor's Number	Program or Award Amount	Total Expenditures
U. S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT						
Community Development Block Grants/Entitlement Grants (CDBG Expenditures by Subgrantees - \$96,919)	2400	14.218		B-12-UC-45-0004	1,352,172 *	293,704
Community Development Block Grants/Entitlement Grants (CDBG Expenditures by Subgrantees - \$456,478)	2400	14.218		B-13-UC-45-0004	1,453,995 *	976,862
Community Development Block Grants/Entitlement Grants	2400	14.218		B-14-UC-45-0004	1,430,489 *	-
Community Development Block Grants/Entitlement Grants	2400	14.218		B-15-UC-45-0004	1,428,522 *	-
HOME Investment Partnership Program	2401	14.239		M-12-UC-45-0213	444,629 *	94,801
HOME Investment Partnership Program	2401	14.239		M-13-UC-45-0213	479,747 *	400,058
HOME Investment Partnership Program	2401	14.239		M-14-UC-45-0213	498,618 *	48,054
HOME Investment Partnership Program	2401	14.239		M-15-UC-45-0213	466,084 *	-
Total U.S. Department of Housing and Urban Development						1,813,479
U. S. DEPARTMENT OF JUSTICE						
State Criminal Alien Assistance Program	1000	16.606		2014-H1832-SC-AP	28,011	28,011
Edward Byrne Memorial Justice Assistance Grant Program (JAG)	2492	16.738		2012-DJ-BX-0734	39,035	-
Edward Byrne Memorial Justice Assistance Grant Program (JAG)	2493	16.738		2013-DJ-BX-0257	39,080	-
Edward Byrne Memorial Justice Assistance Grant Program (JAG)	2494	16.738		2014-DJ-BX-0896	42,919	16,601
Edward Byrne Memorial Justice Assistance Grant Program (JAG)	2499	16.738		2011-DJ-BX-2736	48,972	279
Equitable Sharing Program	2637	16.922			87,648	56,798
Passed Through S.C. Department of Public Safety:						
Violence Against Women Formula Grants						
LE/Violence Against Women Act	2456	16.588		1K12043	12,295	12,295
LE/Violence Against Women Act	2456	16.588		1K14010	61,474	57,191
Edward Byrne Memorial Justice Assistance Grant Program (JAG)						
School Resource Officer	2437	16.738		1G11050	75,333	73,371
Drug Parcel Interdiction Enforcement Unit	2446	16.738		1G13024	72,315	72,315
Passed Through Sexual Trauma of the Midlands:						
Enhanced Training and Services to End Violence and Abuse of Women Later in Life Abuse of Women Later in Life Program	1000	16.528			1,080	1,080
Total U.S. Department of Justice						317,941
U. S. DEPARTMENT OF TRANSPORTATION						
Airport Improvement Program						
Airport Capital Projects	5801	20.106		3-45-0067-013-2011	150,000	-
Airport Capital Projects	5801	20.106		3-45-0067-014-2013	300,000	-
Airport Capital Projects	5801	20.106		3-45-0067-015-2014	150,000	7,751
Passed Through S.C. Department of Public Safety (Highway Safety):						
State and Community Highway Safety						
11th Circuit Law Enforcement Network	2416	20.600	A	2JC14011	28,000	2,782
11th Circuit Law Enforcement Network	2416	20.600	A	2JC15011	28,000	24,314
Alcohol Impaired Driving Countermeasures Incentive Grants Advanced Impaired Driver Enforcement (AIDE)	2425	20.616	A	M4HVE-2015-HS-16-15	166,105	139,390
Passed Through S.C. Department of Transportation:						
Federal-Aid Highway Program, Federal Lands Highway Program S-48/Columbia Avenue Project	2900	20.205		SU32(019)	2,725,000	286,944
Total U.S. Department of Transportation						461,181

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

Federal Grantor Pass Through Grantor Program Title	County Fund No.	Federal CFDA Number	Pass Through Grantor's Cluster Number	Program or Award Amount	Total Expenditures
U. S. DEPARTMENT OF HOMELAND SECURITY					
Passed Through S.C. Law Enforcement Division					
Homeland Security Grant Program					
Homeland Security Grant	2476	97.067	14SHSP62	4,951	4,951
Supplemental Homeland Security Grant	2477	97.067	12SHSP34	75,000	-
Supplemental Homeland Security Grant	2477	97.067	13SHSP32	40,000	-
FY 12 Incident Management Team	2485	97.067	12SHSP27	55,313	-
FY 13 Incident Management Team	2485	97.067	13SHSP42	35,000	31,516
FY 14 Incident Management Team	2485	97.067	14SHSP28	50,000	-
Passed Through S.C. Office of Adjutant General:					
Emergency Management Performance Grants					
FEMA Grant thru Adjutant General's Office	1000	97.042	14EMPG01	79,214	58,666
Total U. S. Department of Homeland Security					95,133
U. S. DEPARTMENT OF HEALTH AND HUMAN SERVICES					
Passed Through S.C. Department of Social Services:					
Child Support Enforcement					
General Fund					
Clk of Crt/Title IV-D Child Support	1000	93.563	G1401SC1401	34,320 *	34,320
LE/Title IV-D Process Server	2410	93.563	G1401SC1401	360,000 *	278,469
	2411	93.563	G1401SC1401	27,000 *	1,659
Passed Through S.C. Department of Health and Environmental Control					
National Bioterrorism Hospital Preparedness Program					
Nomad Planning Trailer	1000	93.074	ML-5-361	187,250	187,250
Midlands Regional Medical Assistance Team (RMAT)	2477	93.074	ML-4-519	83,081	-
Midlands Regional Medical Assistance Team (RMAT)	2477	93.074	ML-5-288	20,000	11,074
Total U. S. Department of Health and Human Services					512,772
U. S. ENVIRONMENTAL PROTECTION AGENCY					
Passed Through S.C. Department of Health & Environmental Control:					
Nonpoint Source Implementation Grants					
Stormwater Improvements - Hollow Creek	2710	66.460	EQ-0-980	344,800	61,396
Stormwater Improvements - 12 Mile Creek	2711	66.460	EQ-3-457	418,664	31,724
Total U. S. Environmental Protection Agency					93,120

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

Federal Grantor/Pass Through Grantor Program Title	County Fund No.	Federal CFDA Number	Cluster	Pass Through Grantor's Number	Program or Award Amount	Total Expenditures
INSTITUTE OF MUSEUM AND LIBRARY SERVICES						
Passed Through S.C. State Library:						
Library Services and Technology Act (LSTA)	2340	45.310		IIIA-13-104	1,988	1,988
Library Services and Technology Act (LSTA)	2340	45.310		IIIA-14-101	1,026	<u>1,026</u>
Total Institute of Museum and Library Services						<u><u>3,014</u></u>
TOTAL FEDERAL AWARDS EXPENDED						<u><u>3,296,640</u></u>

* The major programs of the County included in the audit were:

US Department of Housing and Urban Development (CFDA # 14.218 & 14.239)

US Department of Health and Human Services (CFDA # 93.563)

NOTE A--BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards includes the federal grant activity of the County of Lexington and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.