

# Spartanburg Community College

*Independent Auditors' Report Required by*

*Government Auditing Standards and the Single Audit Act*

*Schedule of Expenditures for Federal Awards for the Year Ended June 30, 2017*



**SPARTANBURG  
COMMUNITY  
COLLEGE**



CENTRAL CAMPUS



TYGER RIVER CAMPUS



CHEROKEE COUNTY CAMPUS



SCC DOWNTOWN CAMPUS



UNION COUNTY ADVANCED TECHNOLOGY CENTER

# SPARTANBURG COMMUNITY COLLEGE

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Independent Auditors' 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

Spartanburg Community College  
Spartanburg, 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 business-type activities and the discretely presented component unit of Spartanburg Community College, a discretely presented component unit of the State of South Carolina, as of and for the year ended June 30, 2017 and the related notes to the financial statements, which collectively comprised Spartanburg Community College's basic financial statements, and have issued our report thereon dated September 18, 2017. The Spartanburg Community College Foundation's financial statements were not audited in accordance with *Government Auditing Standards*, and accordingly, this report does not include reporting on internal control over financial reporting or instances of reportable noncompliance associated with Spartanburg Community College Foundation.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Spartanburg Community College'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 opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Spartanburg Community College's internal control. Accordingly, we do not express an opinion on the effectiveness of the Spartanburg Community College'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 Spartanburg Community College's financial statements are free of 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 is required to be reported under *Government Auditing Standards*.

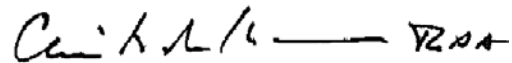
We noted certain matters that we reported to management of Spartanburg Community College, in a separate letter dated September 18, 2017.

**Spartanburg Community College's Response to the Finding**

The College's response to the findings identified in our audit is described in the accompanying schedule of findings and question costs. The College's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

**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.



Gaffney, SC  
September 18, 2017

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Independent Auditors' Report On Compliance  
For Each Major Program And On Internal Control Over  
Compliance Required By The Uniform Guidance

Spartanburg Community College  
Spartanburg, South Carolina

**Report on Compliance for Each Major Federal Program**

We have audited Spartanburg Community College'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 Spartanburg Community College's major federal programs for the year ended June 30, 2017. Spartanburg Community College's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

**Management's Responsibility**

Management is responsible for compliance with the federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

**Auditors' Responsibility**

Our responsibility is to express an opinion on compliance for each of the College'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 Spartanburg Community College'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 on Spartanburg Community College's compliance.

**Opinion on Each Major Federal Program**

In our opinion, Spartanburg Community College, 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.

## Report on Internal Control Over Compliance

Management of Spartanburg Community College is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirement referred to above. In planning and performing our audit of compliance, we considered Spartanburg Community College'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 Spartanburg Community College's internal control over compliance.

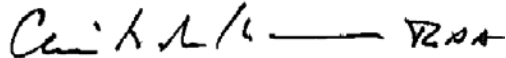
*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement 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.

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

We have audited the financial statements of the business-type activities and the discretely presented component unit of Spartanburg Community College, a discretely presented component of the State of South Carolina, as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the College's basic financial statements. We issued our report thereon dated September 18, 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 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 Title 2 U.S. Code of *Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (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.

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.



Gaffney, SC  
September 18, 2017

**SPARTANBURG COMMUNITY COLLEGE**  
**Schedule of Expenditures of Federal Awards**  
**For the Year Ended June 30, 2017**

<b>Federal Grantor/Program Title/Grant Title</b>	<b>CFDA Number</b>	<b>Grant Period</b>	<b>Expenditures As of 06/30/2017</b>
<b>U.S. DEPARTMENT OF EDUCATION</b>			
<u>Student Financial Aid Cluster</u>			
Federal Supplemental Education Opportunity Grant (FSEOG)	84.007	2016-17 2015-16	164,080 902
Federal Direct Loans	84.268	2016-17 2015-16	2,017,730 (9,168)
Federal Work-Study Program (FWS)	84.033	2016-17 2015-16	133,415 -
Federal Pell Grant Program (PELL)	84.063	2016-17 2015-16	8,905,809 (52,626)
Total Student Financial Aid Cluster			<u>11,160,142</u>
<u>TRIO Cluster</u>			
TRIO- Student Support Services	84.042A	2016-17 2015-16	231,928 44,519
Total TRIO Cluster			<u>276,447</u>
<u>Pass-through from S.C. Department of Education</u>			
Perkins IV Postsecondary Funding - Total S.C. Department of Education	84.048A	2016-17	<u>251,538</u> <u>251,538</u>
<b>TOTAL U. S. DEPARTMENT OF EDUCATION</b>			<u><u>11,688,127.50</u></u>
<b>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</b>			
<u>Pass-through from S.C. Department of Health and Human Services</u>			
T.E.A.C.H.	93.575	2016-17	<u>3,355</u> <u>3,355</u>
<b>TOTAL U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</b>			<u><u>3,355</u></u>
<b>U.S. DEPARTMENT OF LABOR</b>			
<u>Trade Adjustment Assistance Community College and Career Training (TAACCCT)</u>			
<u>Pass-through from Greenville Technical College</u>			
SC Accelerate Grant	17.282	2016-17	43,128
<u>Trade Adjustment Assistance Community College and Career Training (TAACCCT)</u>			
<u>Pass-through from S.C. Technical College System</u>			
S.C. Apprenticeship Initiative Project (H-1B Job Training Grants)	17.268	2016-17	<u>37,115</u> <u>80,243</u>
<b>TOTAL U.S. DEPARTMENT OF LABOR</b>			<u><u>80,243</u></u>
<b>APPALACHIAN REGIONAL COMMISSION (ARC)</b>			
<u>Pass-through from U.S. Department of Commerce</u>			
Public Works Program/Building Renovation	11.300	2016-17	-
Public Works Program/Building Renovation	11.300	2016-17	<u>13,310</u> <u>13,310</u>
<b>TOTAL APPALACHIAN REGIONAL COMMISSION</b>			<u><u>13,310</u></u>
<b>U.S. DEPARTMENT OF COMMERCE</b>			
Public Works Program/Building Renovation	11.300	2016-17	7,831
Public Works Program/Building Renovation	11.300	2016-17	<u>-</u> <u>7,831</u>
<b>TOTAL U.S. DEPARTMENT OF COMMERCE</b>			<u><u>7,831</u></u>
<b>NATIONAL SCIENCE FOUNDATION</b>			
<u>Pass-through from Kentucky Community and Technical College System</u>			
Advanced Technological Education Program	47.076	2016-17	6,500
<u>Pass-through from Clemson University</u>			
Center for Aviation and Automotive Technical Education Using Virtual E-School (CA2VES): A Resource to Meet Technician Workforce Needs	47.076	2016-17	<u>36,674</u> <u>43,174</u>
<b>TOTAL NATIONAL SCIENCE FOUNDATION</b>			<u><u>43,174</u></u>
<b>TOTAL EXPENDITURES OF FEDERAL AWARDS</b>			<u><u>\$ 11,836,040</u></u>



**SPARTANBURG COMMUNITY COLLEGE**  
Notes to Schedule of Expenditures of Federal Awards  
For the Year Ended June 30, 2016

1. GENERAL

The accompanying Schedule of Expenditures of Federal Awards presents the activity of all federal award programs of Spartanburg Community College. The reporting entity is defined in Note 1 of the College's financial statements. All federal awards received directly from federal agencies, as well as federal awards passed through other government agencies, are included on the schedule.

2. BASIS OF ACCOUNTING

The accompanying Schedule of Federal Awards is presented using the accrual basis of accounting, which is described in Note 1 of the College's financial statements.

The College has elected not to use the 10 percent de minimis indirect cost rate as allowed under Uniform Guidance.

3. FEDERAL LOAN PROGRAMS

The College has students who have approved loans which were received by those students during the current year. The College began initiating loans through the Federal Direct Lending program in summer 2010. The totals and types of loans received for the current fiscal year are:

Federal Direct Loans	Subsidized	\$ 1,452,093
	Unsubsidized	<u>556,469</u>
Total		<u><u>\$ 2,008,562</u></u>

**SPARTANBURG COMMUNITY COLLEGE**  
Summary Schedule of Prior Audit Findings  
June 30, 2016

**Findings Relating to the Financial Statements:**

There were no findings relating to the financial statements.

**Findings and Questioned Costs Relating to Federal Awards:**

There were no findings and questioned costs relating to federal awards.

**SPARTANBURG COMMUNITY COLLEGE**  
 Schedule of Findings and Questioned Costs  
 June 30, 2017

**Summary of Auditors' Results:**

- An unmodified opinion was issued on Spartanburg Community College's basic financial statements dated September 18, 2017.
- There were no material weaknesses or significant deficiencies relating to the financial statements reported in the Independent Auditors' 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*.
- There were no instances of noncompliance material to the financial statements of Spartanburg Community College disclosed during the audit.
- The auditors' report on compliance for the major federal award programs for Spartanburg Community College expresses an unmodified opinion.
- There were no material weaknesses or significant deficiencies relating to the audit of major federal awards reported in the Independent Auditor's Report on Compliance for Each Major Program and on Internal Control over Compliance required by the Uniform Guidance.
- There were no audit findings reported relative to the major federal award programs for Spartanburg Community College as depicted below in this schedule.
- Major federal programs:
 

Student Financial Aid Cluster from the U.S. Department of Education	
Federal Supplemental Education Opportunity Grants (FSEOG)	CFDA #84.007
Federal Work-Study Programs	CFDA #84.033
Federal PELL Grant Program	CFDA #84.063
Federal Direct Student Loans	CFDA #84.268
TRIO – Student Support Services from the U.S. Department of Education	CFDA #84.042
- The threshold for distinguishing between Type A and Type B Programs was \$750,000.
- Spartanburg Community College is a low-risk auditee according to the criteria in Title 2 U.S. Code of *Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance).

**SPARTANBURG COMMUNITY COLLEGE**  
Schedule of Findings and Questioned Costs, Continued  
June 30, 2017

**Findings Relating to Financial Statements:**

There were no findings relating to the financial statements.

**Findings and Questioned Costs Relating to Federal Awards:**

There were no findings and questioned costs relating to federal awards.