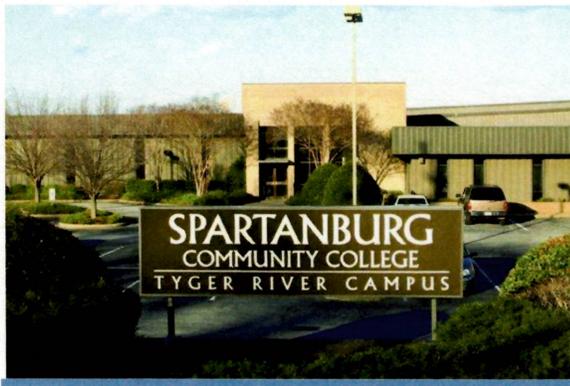


# Spartanburg Community College

*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, 2021*



GILES CAMPUS



TYGER RIVER CAMPUS



CHEROKEE COUNTY CAMPUS



SCC DOWNTOWN CAMPUS



UNION COUNTY ADVANCED TECHNOLOGY CENTER



**SPARTANBURG COMMUNITY COLLEGE**

Table of Contents

	<u>Page Number</u>
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	1-2
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 The Uniform Guidance	3-5
Schedule Of Expenditures Of Federal Awards	6-7
Notes To Schedule Of Expenditures Of Federal Awards	8
Summary Schedule Of Prior Audit Findings	9
Schedule Of Findings And Questioned Costs	10-12
Corrective Action Plan	13-14

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 Commission Members  
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, 2021 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 30, 2021. Our report includes a reference to other auditors who audited the financial statements of Spartanburg Community College Foundation financial statements. The financial statements Spartanburg Community College Foundation were not audited in accordance with *Government Auditing Standards*.

### 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) as a basis for designing 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 opinions 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.

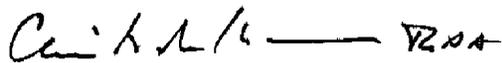
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not 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 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 instances of noncompliance or other matters that is required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and questioned costs as items **2021-001** and **2021-002**.

### 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 30, 2021

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 Commission Members  
Spartanburg Community College  
Spartanburg, South Carolina

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

We have audited the 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, 2021. 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.

**Auditor's Responsibility**

Our responsibility is to express an opinion on compliance for each of the Spartanburg Community 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 the 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 of the 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, 2021.

### **Other Matters**

The results of our auditing procedures disclosed instances of noncompliance which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying schedule of findings questioned costs as items **2021-001** and **2021-002**. Our opinion on each major federal program is not modified with respect to these matters.

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

### **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 the 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.

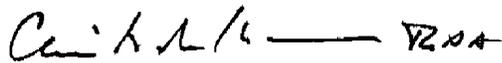
*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement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

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 business-type activities and the discretely presented component unit of the Spartanburg Community College, a discretely presented component of the State of South Carolina, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the College's basic financial statements. Our report includes a reference to other auditors who audited the financial statements of Spartanburg Community College Foundation as described in our report on Spartanburg Community College's financial statements. We issued our report thereon dated November 15, 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 as a whole.



Gaffney, SC  
October 13, 2021

**SPARTANBURG COMMUNITY COLLEGE**  
**Schedule of Expenditures of Federal Awards**  
**As of June 30, 2021**

Federal Grantor/Program Title/Grant Title	CFDA Number	Grant Period	Total Expenditures
<b>U.S. DEPARTMENT OF EDUCATION</b>			
<u>Student Financial Aid Cluster</u>			
Federal Supplemental Education Opportunity Grant (FSEOG)	84.007	2020-21	\$ 181,537
Federal Direct Loans	84.268	2020-21 2019-20	1,901,110 (4,064)
Federal Work-Study Program (FWS)	84.033	2020-21 2019-20	81,032 5,615
Federal Pell Grant Program (PELL)	84.063	2020-21 2019-20	7,947,671 (2,722)
Total Student Financial Aid Cluster			10,110,179
<u>TRIO Cluster</u>			
TRIO- Student Support Services	84.042A	2020-21 2019-20	206,554 56,447
Total TRIO Cluster			263,001
<u>Pass-through from S.C. Department of Education</u>			
Perkins IV Postsecondary Funding	84.048A	2020-21	312,524
Perkins IV RESERVE	84.048	2020-21	20,440
Total Perkins IV			332,964
Adult Education - AEFLA	84.002	2020-21	55,793
Total S.C. Department of Education			388,756
<u>COVID-19 Higher Education Emergency Relief Fund (HEERF)</u>			
(HEERF) - Institutional Education Relief	84.425F	2020-21	1,167,054
(HEERF II) - Student Education Relief	84.425E	2020-21	1,679,316
(HEERF II) - Institutional Education Relief	84.425F	2020-21	162,607
GEER - Governor Educational Relief	84.425	2020-21	94,350
Total COVID-19 Higher Education Emergency Relief Fund			3,103,327
<b>TOTAL U. S. DEPARTMENT OF EDUCATION</b>			<b>13,865,264</b>
<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	2020-21	7,074
<b>TOTAL U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</b>			<b>7,074</b>
<b>U.S. DEPARTMENT OF LABOR</b>			
<b>Trade Adjustment Assistance Community College and Career Training (TAACCT)</b>			
<u>Pass-through from S.C. Technical College System</u>			
SAE Apprenticeship Expansion	17.285	2020-21	18,853
GROW SC	17.268	2020-21	304,250
<b>TOTAL U.S. DEPARTMENT OF LABOR</b>			<b>\$ 323,104</b>

**SPARTANBURG COMMUNITY COLLEGE**  
**Schedule of Expenditures of Federal Awards**  
**As of June 30, 2021**

<b>Federal Grantor/Program Title/Grant Title</b>	<b>CFDA Number</b>	<b>Grant Period</b>	<b>Total Expenditures</b>
<b>APPALACHIAN REGIONAL COMMISSION (ARC)</b>			
<u>Pass-through from U.S. Department of Commerce Cluster</u>			
Apprenticeship Carolina	23.011	2020-21	\$ 33,327
Public Works Program/Building Renovation	11.300	2020-21	10,001
<b>TOTAL APPALACHIAN REGIONAL COMMISSION</b>			<b>43,328</b>
<b>U.S. DEPARTMENT OF COMMERCE</b>			
Public Works Program/Building Renovation	11.300	2020-21	176,066
<b>TOTAL U.S. DEPARTMENT OF COMMERCE</b>			<b>176,066</b>
<b>NATIONAL SCIENCE FOUNDATION</b>			
<u>Pass-through from Clemson University</u>			
Center for Aviation and Automotive Technical Education Using CA2VES A2: A Resource to Meet	47.076	2020-21	9,137
<u>Draw Down</u>			
SPECTRA	47.076	2020-21	13,077
Cyber Security	47.076	2020-21	56,985
<b>TOTAL NATIONAL SCIENCE FOUNDATION</b>			<b>79,199</b>
<b>TOTAL EXPENDITURES OF FEDERAL AWARDS</b>			<b>\$ 14,494,036</b>

**SPARTANBURG COMMUNITY COLLEGE**  
Notes to Schedule of Expenditures of Federal Awards  
For the Year Ended June 30, 2021

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 totals and types of loans received for the current fiscal year are:

Federal Direct Loans	Subsidized	\$ 798,973
	Unsubsidized	<u>1,098,073</u>
Total		<u><u>\$ 1,897,046</u></u>

**SPARTANBURG COMMUNITY COLLEGE**  
Summary Schedule of Prior Audit Findings  
June 30, 2021

**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, 2021

**Summary of Auditors' Results:**

**Financial Statements**

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP.

Unmodified

Internal control over financial reporting:

Material weakness(es) identified?

Yes \_\_\_\_\_ No   x  

Significant deficiency(ies) identified?

Yes \_\_\_\_\_ No   x  

Noncompliance material to financial statements noted?

Yes \_\_\_\_\_ No   x  

**Federal Awards**

Internal control over major federal programs:

Material weakness(es) identified?

Yes \_\_\_\_\_ No   x  

Significant deficiency(ies) identified?

Yes \_\_\_\_\_ No   x  

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 200.516(a) ?

Yes   x   No \_\_\_\_\_

Identification of major federal programs:

- CFDA# Various      Student Financial Aid Cluster
- CFDA# 84.425E    COVID-19 Higher Education Emergency Relief Fund (HEERF)- Student Portion
- CFDA# 84.425F    COVID-19 Higher Education Emergency Relief Fund (HEERF)- Institutional Portion

Dollar threshold used to distinguish between type A and type B programs:

      \$750,000      

Auditee qualified as low-risk auditee?

Yes   x   No \_\_\_\_\_

**SPARTANBURG COMMUNITY COLLEGE**  
Schedule of Findings and Questioned Costs, Continued  
June 30, 2021

**Findings Relating to Financial Statements:**

There were no findings relating to the financial statements.

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

**2021-001 - Special Test and Provision- Borrower Data and Reconciliation (Direct Loan)**

**Federal Agency:** Department of Education

**Program:** Student Financial Aid Cluster

**Criteria:** On a monthly basis, reconcile institutional records with Direct Loan funds received from the Secretary and Direct Loan disbursement records submitted to and accepted by the Secretary.  
**(34 CFR 685.300(b)(5))**

**Condition:** There is a lack of evidence that the College performed all of the required monthly Direct Loan reconciliation.

**Cause:** The COVID-19 pandemic presented many problems with financial aid staff being out of the office for significant amounts of time due to exposure including family members being exposed. The Financial Aid Office lost a staff member a year and a half ago to retirement and the position has yet to be filled. Due to staff shortage management used their available resources for the most critical duties in order to continue serving the students.

**Effect:** The College is not in compliance with the Direct Loan program participation agreement.

**Questioned Cost:** None

**Identification of a Repeat Finding:** Not a repeat finding.

**Recommendation:** We recommend the College perform the required monthly Direct Loan reconciliation.

**Views of Responsible Officials:** The Financial Aid Office (FAO) agrees with this conclusion. The FAO was aware of the deficiency, but due to the added workload resulting from various COVID-19 related issues, a staff position that has remained vacant for over 18 months, and the implantation of a new college initiative, the office was unable to meet the requirement. Direct Loan reconciliation is on the office calendar as a monthly process, but once missed there was no retroactive action that could be taken to correct the deficiency. The Direct Loan reconciliation process remains on the calendar and extra effort will be taken in the 2021-2022 award year to ensure the process is completed monthly.

**SPARTANBURG COMMUNITY COLLEGE**  
Schedule of Findings and Questioned Costs, Continued  
June 30, 2021

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

**Views of Responsible Officials:**

**2021-002 - Reporting- Special Reporting**

<b>Federal Agency:</b>	Department of Education
<b>Program:</b>	Coronavirus Response and Relief Supplemental Appropriation Act (CRRSAA) - HEERF II, Student Portion- CFDA #84.425E
<b>Criteria:</b>	The Certification and Agreements for the CRRSAA and ARP (a)(1) and (a)(4) funds provide that each institution applying for HEERF funds must promptly and timely provide a detailed accounting of the use and expenditure of the funds in such manner and with such frequency as the Secretary may require. Each HEERF participating institution must post the information listed below on the institution's primary website, as an initial report under the CRRSAA and ARP (a)(1) and (a)(4) programs. This report is associated with the approved information collection under OMB control number 1801-0005. The Department encourages institutions to report as soon as possible, but no later than 30 days after the publication of this notice or 30 days after the date the Department first obligated funds under HEERF I, II, or III to the institution for Emergency Financial Aid Grants to Students, whichever comes later. <b>(CRRSAA section 314(e))</b>
<b>Condition:</b>	For the HEERF II student portion, the required quarterly public reporting was not conspicuously posted on the College primary website.
<b>Cause:</b>	The COVID-19 pandemic presented many problems with financial aid staff being out of the office for significant amounts of time due to exposure including family members being exposed. The Financial Aid Office lost a staff member a year and a half ago to retirement and the position has yet to be filled. Due to staff shortage management used their available resources for the most critical duties in order to continue serving the students.
<b>Effect:</b>	The College is not in compliance with the CRRSAA quarterly public reporting requirement.
<b>Questioned Cost:</b>	None
<b>Identification of a Repeat Finding:</b>	Not a repeat finding.
<b>Recommendation:</b>	We recommend the College publicly post the quarterly reporting with in the required timeframe.
<b>Views of Responsible Officials:</b>	The Financial Aid Office (FAO) agrees with this conclusion and corrected the issue as soon as was identified. The HEERF II reports were created but were not loaded to the website. The reports have since been loaded the financial aid website and will be loaded to the college's COVID-19 page as soon possible.



## **Single Audit Corrective Action Plan – Year Ended June 30, 2021**

### **Finding 2021-001 - Special Test and Provision- Borrower Data and Reconciliation (Direct Loan)**

**Finding:** There is a lack of evidence that the College performed all of the required monthly Direct Loan reconciliations.

**Department's Response:** The Financial Aid Office acknowledges the finding and corrective action has been taken to prevent the issue from occurring in the future.

**Corrective Action Plan:** The Financial Aid Office has ensured the monthly Direct Loan reconciliations are part of the office work calendar. Duty assignments have been adjusted to account for potential Coronavirus issues which may include staff members being out of the office for extended periods of time or the necessity to work from home. Duties have also been rearranged to temporarily account for a staff position which has been vacant for over 18 months. Executive management has indicated the filling of the vacant position is currently being discussed. The Free Tuition Initiative has been developed and the administration procedures are in place which will reduce the amount of attention needed for this program. These adjustments should allow the office to move back in the direction of a normal mode of operation and allow the Direct Loan reconciliations to be completed monthly as required.

The have also been some changes made to the reconciliation data retention process. Digital copies of all supporting documents will be maintained in addition to the paper copies. This will allow for reconciliations to be recreated if necessary, by having a time snapshot of each reconciliation. In the past, a reconciliation could not be recreated should it not be properly recorded.

**Anticipated Completion Date:** Ongoing throughout the 2021-2022 award year

**Contact/Responsible Party:** Jeff Boyle, Director of Financial Aid

**Contact Information:** boylej@scsc.edu



## **Single Audit Corrective Action Plan – Year Ended June 30, 2021**

### **Finding 2021-002 - Reporting- Special Reporting**

**Finding:** For the HEERF II student portion, the required quarterly public reporting was not conspicuously posted on the College primary website.

**Department’s Response:** The Financial Aid Office acknowledges the finding and corrective action was immediately taken to resolve the issue.

**Corrective Action Plan:** The Financial Aid Office had produced the required reports for HEERF II but failed to post them to the college’s website as required by the regulations. The reports were immediately posted to the website as soon as the discrepancy was discovered. It has been noted that the initial 45-day reporting requirement has been changed to a quarterly time frame. In addition, a staff member outside of the Financial Aid Office will monitor the website to ensure the reports are posted as required.

**Anticipated Completion Date:** Up-to-date as of 10/11/2021

**Contact/Responsible Party:** Jeff Boyle, Director of Financial Aid

**Contact Information:** boylej@scsc.edu