

Greenwood County, South Carolina

Uniform Guidance Report (With Independent Auditor's Report Thereon)

For the year ended June 30, 2023

Greenwood County, South Carolina

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Greenwood County, South Carolina**Schedule of Expenditures of Federal Awards****For the year ended June 30, 2023**

Federal grantor/pass-through grantor/program or cluster title	Federal Assistance Listing number	Pass-through Entity Identifying number	Passed Through to Subrecipients	Total Federal Expenditures
<u>U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</u>				
Passed through State Department of Commerce				
Community Development Block Grant Cluster (CDBG)				
2021 Regional Planning	14.228	4-RP-20-002	\$ -	\$ 50,000
Baptist Area Sewer Upgrade	14.228	4-CI-20-009	-	960,444
Matthew Mill Village Sewer Upgrade I	14.228	4-CI-21-010	-	20,017
Matthew Mill Village Sewer Upgrade II	14.228	4-CI-22-004	-	62,316
CDBG-CV1 Public Services Program	14.228	CV1-001	302,866	302,866
Total Community Development Block Grant Cluster (CDBG)			302,866	1,395,643
Total U.S. Department of Housing & Urban Development			302,866	1,395,643
<u>U.S. DEPARTMENT OF TRANSPORTATION</u>				
Direct Awards				
Federal Aviation Administration Airport Improvement Program	20.106	3-45-0027-020-2019	-	6,166
Total U.S. Department of Transportation			-	6,166
<u>U.S. DEPARTMENT OF JUSTICE</u>				
Direct Awards				
State Criminal Alien Assistance	16.606	15PBJA-21RR-05180-SCAA	-	4,750
Passed through S.C. Department of Public Safety				
VAWA Prosecution Team	16.588	1K21005	14,146	14,146
VAWA Prosecution Team	16.588	1K22003	111,426	111,426
Victim Advocate Project	16.588	1V20102	35,660	35,660
Victim Advocate Project	16.588	1V22058	93,604	93,604
Total U.S. Department of Justice			254,836	259,586
<u>U.S. HOMELAND SECURITY ADMINISTRATION</u>				
Passed through S.C. Emergency Management Division				
Local Emergency Management Performance	97.042	22EMPG01	-	79,485
Local Emergency Management Performance	97.042	21EMPG01	-	10,000
Total U.S. Homeland Security Administration			-	89,485
<u>U.S. DEPARTMENT OF HEALTH & HUMAN SERVICES</u>				
Passed through S C Department of Social Services				
DSS Incentive Cost	93.563		-	10,334
DSS Unit Cost	93.563		-	211,083
DSS Unit Cost - Sheriff's Department	93.563		-	7,161
Total U.S. Department of Health and Human Services			-	228,578
<u>U.S. FISH AND WILDLIFE SERVICE</u>				
Passed through SC Department of Natural Resources				
Sport Fish Restoration	15.605		-	682,950
Total U.S. Fish and Wildlife Service			-	682,950
<u>U.S. DEPARTMENT OF TREASURY</u>				
Coronavirus Local Fiscal Recovery Fund - (COVID)	21.027		-	721,985
Total U.S. Department of Treasury			-	721,985
Total Expenditures of Federal Awards			\$ 557,702	\$ 3,384,393

See Notes to Schedule of Expenditures of Federal Awards

Greenwood County, South Carolina

Notes to the Schedule of Expenditures of Federal Awards

June 30, 2023

Note 1. Basis of Presentation

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal grant activity of Greenwood County, South Carolina (the "County") under programs of the federal government for the year ended June 30, 2023. The information in this Schedule is presented in accordance with the requirements of the 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, changes in net position or cash flows of the County.

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. Pass-through entity identifying numbers are presented where available.

Note 3. Indirect Cost Rate

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



**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***

Greenwood County Council
County of Greenwood
Greenwood, 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, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Greenwood, South Carolina (the "County"), as of and for the year ended June 30, 2023, 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 19, 2023.

Report on 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 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, and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We have not identified any deficiencies in internal control that we would consider to be material weaknesses.

Report on 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 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.

A handwritten signature in black ink that reads "Manley Garvin, LLC". The signature is written in a cursive, flowing style.

Greenwood, South Carolina
December 19, 2023



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

Greenwood County Council
County of Greenwood
Greenwood, South Carolina

Report on Compliance for Each Major Federal Program

Opinion on Each major Federal Program

We have audited Greenwood County, South Carolina's (the "County") compliance with the types of compliance requirements identified as subject to audit 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, 2023. 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.

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, 2023.

Basis for Opinion on Each Major Federal Program

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). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the County and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the County's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the County's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the County's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the County's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the County's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the County's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances 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 the County's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on 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 a 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 Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the County, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the County's basic financial statements. We issued our report thereon dated December 19, 2023, 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 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 financial statements as a whole.

A handwritten signature in black ink that reads "Manley Garvin, LLC". The signature is written in a cursive, flowing style.

Greenwood, South Carolina
December 19, 2023

Greenwood County, South Carolina
Schedule of Findings and Questioned Costs
For the year ended June 30, 2023

Section I. SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

- Material weakness identified? yes X no
- Significant deficiency identified? yes X none reported

Noncompliance material to financial statements noted? yes X no

Federal Awards

Internal control over major federal programs:

- Material weakness identified? yes X no
- Significant deficiency identified? 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 Section 516(a) of the Uniform Guidance? yes X no

Identification of major federal programs:

<u>CFDA #</u>	<u>Name of Federal Program or Cluster</u>
14.228	Community Development Block Grant

Dollar threshold used to distinguish between
Type A and Type B Programs \$750,000

Auditee qualified as low-risk auditee? yes X no

Greenwood County, South Carolina
Schedule of Findings and Questioned Costs, Continued
For the year ended June 30, 2023

Section II. Financial Statement Findings

None reported.

Section III. Federal Award Questioned Costs & Findings

None reported.

Greenwood County, South Carolina

Summary Schedule of Prior Audit Findings

For the year ended June 30, 2023

Section II. Financial Statement Findings

2022 Financial Statement Findings

Material Weakness:

2022-001: Inaccurate presentation of Asset Held for Sale

Condition:	The County did not record the construction of the speculative building at the North Greenwood Industrial Park properly as an asset held for resale.
Criteria:	All assets held for resale should be properly recorded in the respective fund(s).
Effect:	The improper recording as a capital asset instead of an asset held for resale causes the assets and fund balance in the respective fund(s) to be understated.
Cause:	Improper determination of the asset as an asset held for resale versus a capital asset.
Recommendation:	All assets should be recorded under the correct classification within the County's trial balance accounts.
Status:	The finding was not repeated for the year ending June 30, 2023.