

ANDERSON COUNTY, SOUTH CAROLINA

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
AND COMPLIANCE REPORTS**

YEAR ENDED JUNE 30, 2023

ANDERSON COUNTY, SOUTH CAROLINA

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND COMPLIANCE REPORTS

TABLE OF CONTENTS

YEAR ENDED JUNE 30, 2023

	<u>Page</u>
Schedule of Expenditures of Federal Awards	1
Notes to Schedule of Expenditures of Federal Awards	3
Independent Auditor's Report - Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	5
Independent Auditor's Report - Report on Compliance for Each Major Federal Program; Report on Internal Control Over Compliance; and Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance	7
Summary Schedule of Prior Audit Findings	11
Schedule of Findings and Questioned Costs	12
Corrective Action Plan	14

ANDERSON COUNTY, SOUTH CAROLINA

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

YEAR ENDED JUNE 30, 2023

Program	Assistance Listing Number	Grant / Contract Number	Expenditures	Expenditures to Subrecipients
US DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT				
Direct:				
Home Investment Partnerships Program - HOME Program	14.239	M18-DC-45-0212	\$ 225,185	\$ -
COVID-19 - Home Investment Partnerships Program - HOME Program	14.239	M21-DP-45-0212	954	-
	Total 14.239		226,139	-
Passed Through SC Department of Commerce				
COVID-19 - Community Development Block Grant (CDBG)	14.218	B-20-DW-45-0001	150,583	-
Community Development Block Grants/State's program and Non-Entitlement Grants in Hawaii	14.228	4-CE-20-001	51,678	-
Total US Department of Housing and Urban Development			428,400	-
US DEPARTMENT OF JUSTICE				
Direct:				
Equitable Sharing Program	16.922	SC0040000	222,710	-
Criminal and Juvenile Justice and Mental Health Collaboration Program	16.745	15PBJA-22-GG-03028-MENT	8,647	-
Edward Byrne Memorial Justice Assistance Grant Program	16.738	15PBJA-21-GG-01796-JAGX	26,496	-
Edward Byrne Memorial Justice Assistance Grant Program	16.738	15PBJA-21-GG-02292-JAGX	30,834	-
Passed Through SC Department of Public Safety:				
Edward Byrne Memorial Justice Assistance Grant Program	16.738	15PBJA-21-GG-00255-MUMU	17,339	-
	Total 16.738		74,669	-
Passed Through SC Department of Crime Victim Assistance Grants:				
Victims of Crime Act	16.575	1V21014	35,792	-
Victims of Crime Act	16.575	1V22049	119,220	-
	Total 16.575		155,012	-
Total US Department of Justice Programs			461,038	-
US DEPARTMENT OF TRANSPORTATION				
Direct:				
Airport Improvement Program	20.106	3-45-0004-025-2021	309,857	-
Airport Improvement Program	20.106	3-45-0004-028-2023	2,700	-
	Total 20.106		312,557	-
Passed Through South Carolina Emergency Management Division:				
Hazardous Materials Emergency Preparedness Training and Planning Grants	20.703	HMEP 693JK319400338HMEP	5,950	-
Total US Department of Transportation			318,507	-
APPALACHIAN REGIONAL COMMISSION				
Passed Through SC Department of Commerce:				
Appalachian Area Development	23.002	4-G-21-20313	120,000	-
Total Appalachian Regional Commission			120,000	-
US DEPARTMENT OF TREASURY				
Direct:				
COVID-19 - Coronavirus State and Local Fiscal Recovery Fund	21.027	SLFRP2824	7,816,385	-
COVID-19 - Emergency Rental Assistance Program	21.023	ERA-2101070497	583,769	582,679
COVID-19 - Emergency Rental Assistance Program	21.023	ERA2-7410	2,084,981	-
	Total 21.023		2,668,750	582,679
Total US Department of Treasury			\$ 10,485,135	\$ 582,679

(Continued)

ANDERSON COUNTY, SOUTH CAROLINA

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

YEAR ENDED JUNE 30, 2023

Program	Assistance Listing Number	Grant / Contract Number	Expenditures	Expenditures to Subrecipients
US DEPARTMENT OF HEALTH AND HUMAN SERVICES				
Passed Through SC Department of Health and Environmental Control:				
National Bioterrorism Hospital Preparedness Program	93.889	5 U3REP190593-04-00	\$ 15,000	\$ -
Passed Through SC Department of Social Services:				
Child Support Enforcement IV-D Transaction Reimbursement	93.563	N/A	345,557	-
Child Support Enforcement IV-D Incentive Payments	93.563	N/A	31,557	-
Child Support Enforcement IV-D Service of Process Payments	93.563	N/A	37,537	-
Child Support Enforcement IV-D Filing Fees	93.563	N/A	31,100	-
	Total 93.563		445,751	-
Total US Department of Health and Human Services			460,751	-
US DEPARTMENT OF HOMELAND SECURITY				
Passed Through SC Emergency Management Division:				
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	FEMA-4241-DR-SC	26,056	-
COVID-19 - Emergency Management Performance Grants (EMPG)	97.042	21EMPG01 Supplemental	14,544	-
Emergency Management Performance Grants (EMPG)	97.042	22EMPG01	81,401	-
	Total 97.042		95,945	-
Passed Through the SC Law Enforcement Division:				
Homeland Security Grant Program (HSGP and THSGP)	97.067	21SHSP16	4,587	-
Homeland Security Grant Program (HSGP and THSGP)	97.067	21SHSP09	18,211	-
Homeland Security Grant Program (HSGP and THSGP)	97.067	22SHSP20	8,822	-
Homeland Security Grant Program (HSGP and THSGP)	97.067	22SHSP13	49,656	-
	Total 97.067		81,276	-
Total US Department of Homeland Security			203,277	-
TOTAL FEDERAL FINANCIAL ASSISTANCE			\$ 12,477,108	\$ 582,679

See accompanying notes to the schedule of expenditures of federal awards.

ANDERSON COUNTY, SOUTH CAROLINA

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

YEAR ENDED JUNE 30, 2023

A. BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards (the “Schedule”) presents the activity of all federal award programs of Anderson County, South Carolina (the “County”) for the year ended June 30, 2023. Expenditures for federal financial assistance awarded directly from federal agencies, as well as those passed through other government agencies, are included on the Schedule. 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”).

B. BASIS OF ACCOUNTING

The accompanying Schedule is presented using the modified accrual basis of accounting, which is described in the notes to the County’s financial statements.

C. RELATIONSHIP TO THE FINANCIAL STATEMENTS

Federal award expenditures are reported in the County’s financial statements generally as expenditures or expenses in the County’s General Fund, special revenue funds, and enterprise funds.

D. MATCHING COSTS

Matching costs (i.e., the non-federal share of certain program costs) are not included in the accompanying Schedule.

E. INDIRECT COST RATE

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

F. OUTSTANDING LOAN BALANCES

The County’s South Carolina Water Pollution Control Revolving Fund Loans were received in previous fiscal years and have no significant continuing compliance requirements. The County did not make or receive any new loans during the current fiscal year and thus no amounts are shown as federal assistance expended in the accompanying Schedule as required by the Uniform Guidance.



Greene Finney Cauley, LLP

CERTIFIED PUBLIC ACCOUNTANTS & ADVISORS

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*

INDEPENDENT AUDITOR'S REPORT

The Members of County Council
Anderson County
Anderson, 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 Anderson County, 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 15, 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 were not identified. We identified a certain deficiency in internal control, described in the accompanying schedule of findings and questioned costs as item 2023-001, that we consider to be a material weakness.

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 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*.

County's Response to the Finding

Government Auditing Standards requires the auditor to perform limited procedures on the County's response to the finding identified in our audit and described in the accompanying schedule of findings and questioned costs. The County's response was not subjected to the other auditing procedures applied in the audit of the financial statements 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.

Greene Finney Cauley, LLP

Greene Finney Cauley, LLP
Mauldin, South Carolina
December 15, 2023



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

INDEPENDENT AUDITOR'S REPORT

The Members of County Council
Anderson County
Anderson, South Carolina

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Anderson 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 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 ("GAAS"); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States ("*Government Auditing Standards*"); and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost of 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 GAAS, *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 GAAS, *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 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 County as of and for the year ended June 30, 2023, and have issued our report thereon dated December 15, 2023, which contained an unmodified opinion on those financial statements. Our audit was performed for the purpose of forming an opinion on the financial statements as a whole. 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 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 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 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.

Greene Finney Cauley, LLP

Greene Finney Cauley, LLP
Mauldin, South Carolina
December 15, 2023

ANDERSON COUNTY, SOUTH CAROLINA

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

YEAR ENDED JUNE 30, 2023

There were no audit findings in the prior year.

ANDERSON COUNTY, SOUTH CAROLINA
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 YEAR ENDED JUNE 30, 2023

Section I - Summary of Auditor's Results

Financial Statements

Type of auditors' report issued: Unmodified

Internal control over financial reporting:

Material weakness(es) identified?	<u> X </u> Yes	<u> </u> No
Significant deficiency(ies) identified that are not considered to be material weaknesses?	<u> </u> Yes	<u> X </u> None Reported
Noncompliance material to financial statements noted?	<u> </u> Yes	<u> X </u> No

Federal Awards

Internal control over major programs:

Material weakness(es) identified?	<u> </u> Yes	<u> X </u> No
Significant deficiency(ies) identified that are not considered to be material weaknesses?	<u> </u> Yes	<u> X </u> None Reported

Type of auditors' report issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516 (Uniform Guidance)?	<u> </u> Yes	<u> X </u> No
--	-------------------	-----------------

Identification of major programs:

<u>Assistance Listing Number(s)</u>	<u>Name of Federal Program or Cluster</u>
21.023	COVID-19 - Emergency Rental Assistance Program
21.027	COVID-19 - Coronavirus State and Local Fiscal Recovery Fund

Dollar threshold used to distinguish between type A and type B programs:	<u> \$ 750,000 </u>
--	--------------------------------

Auditee qualified as low-risk auditee?	<u> X </u> Yes	<u> </u> No
--	------------------	------------------

ANDERSON COUNTY, SOUTH CAROLINA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

YEAR ENDED JUNE 30, 2023

Section II – Current Year Financial Statement Findings

2023-001: RECORDING OF DONATED INFRASTRUCTURE

Condition: While preparing for the fiscal year 2023 audit, the finance staff of Anderson County (the “County”) discovered sewer infrastructure that had been donated to the County in prior years had not been recorded in the Sewer Fund’s capital assets. These donated assets had a net book value of \$7,438,117 at June 30, 2022.

Criteria: The County should have adequate internal controls in place to ensure that all donated capital assets are properly recorded in a timely manner.

Context, Cause and Effect: The finance staff was not aware of the donated sewer infrastructure; therefore the capital assets were not recorded. As a result, the County’s capital assets balances in the June 30, 2022 financial statements were understated. As a result of this error, the County restated the net position of the Sewer Fund and Business-Type Activities as of June 30, 2022 with a prior period adjustment of \$7,438,117 to reflect the donations of sewer infrastructure in prior years.

Recommendation: The County should establish a policy for donated assets that requires information to be furnished to the County’s finance staff so the assets can be recorded in the financial statements.

Response: The County agrees with this finding and will adhere to the corrective action plan on page 14.

Section III – Current Year Federal Award Findings and Questioned Costs

No matters to report.



Corrective Action Plan

Year Ended June 30, 2023

Section II – Current Year Financial Statement Findings

Tommy Dunn
Chairman
Council District 5

Brett Sanders
Vice Chairman
Council District 4

John B. Wright, Jr.
Council District 1

Glenn Davis
Council District 2

Greg Elgin
Council District 3

Jimmy Davis
Council District 6

M. Cindy Wilson
Council District 7

Renee D. Watts
Clerk to Council

Rusty Burns
County Administrator

Finding: 2023-001

Contact Person: Rita Davis, Chief Financial Officer
864-260-4351
rdavis@andersoncountysc.org

Corrective Action: The County understands the need to identify and record donated assets and is in the process of creating a donated assets policy.

Proposed Completion Date: June 30, 2024