

**GREENVILLE COUNTY, SOUTH CAROLINA**

**Note to Schedule of Expenditures of Federal Awards  
June 30, 2007**

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of the County and is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-profit Organizations*.

# GREENVILLE COUNTY, SOUTH CAROLINA

## Schedule of Expenditures of Federal Awards

Year Ended June 30, 2007

| Federal Grantor/Pass-Through Grantor<br>Program Title | Federal<br>CFDA<br>Number | Pass-<br>Through<br>Grantor's<br>Number | Federal<br>Program<br>or Award<br>Amount | Expenditures   |
|---|---------------------------|---|--|----------------|
| <b>Environmental Protection Agency</b>                |                           |   |  |                |
| Direct Programs                                       |                           |   |  |                |
| USEPA Air Quality Grant                               | 66.034                    | XA-96453606-0                           | N/A                                      | \$ 27,462      |
|   |                           |   |  | <u>27,462</u>  |
| Total U.S. Department of Agriculture                  |                           |   |  | <u>27,462</u>  |
| <b>Department of Agriculture</b>                      |                           |   |  |                |
| Direct Programs                                       |                           |   |  |                |
| Emergency Watershed Protection                        | 10.904                    |   |  | 650,339        |
|   |                           |   |  | <u>650,339</u> |
| Total Department of Agriculture                       |                           |   |  | <u>650,339</u> |
| <b>U.S. Department of HUD</b>                         |                           |   |  |                |
| Direct Programs                                       |                           |   |  |                |
| Fair Housing Initiatives                              | 14.409                    | FH400GO6078                             |  | 59,054         |
| Fair Housing Initiatives 05                           | 14.409                    | FH400GO4078                             |  | 5,421          |
| HUD HECM Grant  | 14.183                    | HC06-0094-003                           |  | 4,165          |
| Housing Counseling Grant                              | 14.169                    | HC05-0498-017                           |  | 15,187         |
| Housing Counseling Grant                              | 14.169                    | HC06-0498-017                           |  | 98,532         |
| Housing Counseling Grant FY05                         | 14.169                    | HC04-0498-087                           |  | 13,692         |
|   |                           |   |  | <u>196,051</u> |
| Total U.S. Department of HUD                          |                           |   |  | <u>196,051</u> |
| <b>U.S. Department of Transportation</b>              |                           |   |  |                |
| Pass-Through State                                    |                           |   |  |                |
| HMEP Planning Grant                                   | 20.703                    | HMESC5042130                            |  | 1,180          |
| HMEP Planning Grant                                   | 20.703                    | HMESC6042140                            |  | 3,924          |
| Section 8-Planning Commission                         | 20.505                    |   |  | 63,487         |
| P/L Funds   | 20.205                    | N/A                                     |  | 420,859        |
|   |                           |   |  | <u>489,450</u> |
| Total NHTSA/FHA                                       |                           |   |  | <u>489,450</u> |
| <b>U.S. Department of Justice</b>                     |                           |   |  |                |
| Pass-Through State                                    |                           |   |  |                |
| Law Enforcement Block Grant                           | 16.592                    | N/A                                     | N/A                                      | 9,624          |
| COPS 2005 Technology Grant                            | 16.710                    | 2005CKWX0347                            |  | 7,655          |
| Ballistic Lab Enhancement                             | 16.609                    | 1PO3019                                 |  | 5,723          |
| Meth Lab Intervention                                 | 16.738                    | 1DO5060                                 |  | 32,999         |
| JAG FY05  | 16.738                    | 2005DJBX0197                            |  | 94,166         |
| JAG FY06  | 16.738                    | 2006DJBX0527                            |  | 60,858         |
| Mental Health Court                                   | 16.738                    | 1DO5041                                 |  | 59,266         |
| Federal Equitable Sharing                             | 16.000                    | N/A                                     | N/A                                      | 72,116         |
|   |                           |   |  | <u>342,407</u> |
| Total U.S. Department of Justice                      |                           |   |  | <u>342,407</u> |
| <b>Department of Homeland Security</b>                |                           |   |  |                |
| Pass-Through State                                    |                           |   |  |                |
| Citizens Corps  | 97.067                    | 5CC02                                   |  | 3,029          |
| EMPG  | 97.042                    | EMA-2004-GR-5006                        |  | 34,460         |
| Catastrophic Planner                                  | 97.067                    | 6SHSP16                                 |  | 27,691         |
| State Homeland Security                               | 97.004                    | 5SHSP23                                 |  | 345,901        |
| Law Enforcement Terrorism Prevention                  | 97.004                    | 5LETP23                                 |  | 49,661         |
|   |                           |   |  | <u>460,742</u> |
| Total FEMA  |                           |   |  | <u>460,742</u> |

# GREENVILLE COUNTY, SOUTH CAROLINA

## Schedule of Expenditures of Federal Awards

As of June 30, 2007

| Federal Grantor/Pass-Through Grantor<br>Program Title | Federal<br>CFDA<br>Number | Pass-<br>Through<br>Grantor's<br>Number | Federal<br>Program<br>or Award<br>Amount | Expenditures     |
|---|---------------------------|---|--|------------------|
| <b>U.S. Department of Labor</b>                       |                           |   |  |                  |
| Pass-Through State                                    |                           |   |  |                  |
| WIA Incumbent Worker 51WT004                          | 17.258                    | 51WT004                                 | \$                                       | 65,299           |
| WIA Rapid Response 4RS9100                            | 17.260                    | 4RS9100                                 |  | 263,615          |
| WIA Adult Admin 05/07                                 | 17.258                    | 55S9100                                 |  | 46,969           |
| WIA Adult Program 5A004                               | 17.258                    | 5A004                                   |  | 222,519          |
| WIA Youth Program 53S9100                             | 17.259                    | 53S9100                                 |  | 61,602           |
| WIA Admin Youth 55S9100                               | 17.259                    | 55S9100                                 |  | 16,415           |
| WIA WorkKeys 05/07                                    | 17.260                    | 5FIG004                                 |  | 624              |
| WIA Incentives  | 17.266                    | 5INC004                                 |  | 16,773           |
| WIA Dislocated Worker Program 5DW004                  | 17.260                    | 5DW004                                  |  | 212,112          |
| WIA Incumbent Worker 61WT004                          | 17.258                    | 61WT004                                 |  | 39,553           |
| WIA Rapid Response                                    | 17.260                    | 6RRA104                                 |  | 256,785          |
| WIA Dislocated Worker 06/08                           | 17.260                    | 6DW004                                  |  | 874,484          |
| WIA Youth Admin                                       | 17.259                    | 6AM004                                  |  | 51,635           |
| WIA Youth 06/08                                       | 17.259                    | 6Y004                                   |  | 448,302          |
| WIA Admin Dislocated Worker 06/08                     | 17.260                    | 6AM004                                  |  | 80,220           |
| WIA Admin Adult 06/08                                 | 17.258                    | 6AM004                                  |  | 30,591           |
| WIA Adult 06/08                                       | 17.258                    | 6A004                                   |  | 579,490          |
| WIA Admin Dislocated Worker 05/07                     | 17.260                    | 55S9100                                 |  | 27,666           |
|   |                           |   |  | <u>3,294,654</u> |
| Total U. S. Department of Labor                       |                           |   |  | <u>3,294,654</u> |
| <b>U.S. Dept of Health &amp; Human Services</b>       |                           |   |  |                  |
| Pass-Through State                                    |                           |   |  |                  |
| Child Support Enforcement Title IV-D Incentives       | 93.563                    | N/A                                     | N/A                                      | 62,325           |
| Child Support Enforcement Title IV-D Unit Costs       | 93.563                    | N/A                                     | N/A                                      | 522,500          |
| Child Support Enforcement Title IV-D Warrants         | 93.563                    | N/A                                     | N/A                                      | 52,186           |
| Pandemic Influenza Prep Program                       | 93.283                    | N/A                                     |  | 199              |
| Sheriff-Warrants                                      | 13.783/93.563             | N/A                                     | N/A                                      | 27,623           |
|   |                           |   |  | <u>664,833</u>   |
| Total U.S. Department of Health & Human Services      |                           |   |  | <u>664,833</u>   |
| Total Federal Financial Assistance                    |                           |   | \$                                       | <u>6,125,938</u> |
| Fund Reconciliation                                   |                           |   |  |                  |
| Special Revenue Fund                                  |                           |   | \$                                       | 6,125,938        |
| Grand Total   |                           |   | \$                                       | <u>6,125,938</u> |

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



**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***

To the Honorable Members of County Council  
Greenville, South Carolina

We have audited the financial statements of the governmental activities, the business-type activities, the Greenville County Library Systems (the "Library") a discretely presented component unit, each major fund, and the aggregate remaining fund information of Greenville County, South Carolina (the "County") as of and for the year ended June 30, 2007, which collectively comprise the County's basic financial statements and have issued our report thereon dated November 16, 2007. We did not audit the financial statements of the Greenville County Redevelopment Authority (the "Authority"), a discretely presented component unit. Those financial statements were audited by another auditor whose report thereon has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Authority, is based solely on the report of the other auditor. We conducted our audit in accordance with 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.

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered the County's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, we identified certain deficiencies in internal control over financial reporting that we consider to be significant deficiencies.

A *control deficiency* 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 misstatements on a timely basis. A *significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control. We consider the deficiencies described in the accompanying schedule of findings and questioned costs to be significant deficiencies in internal control over financial reporting (07-01 and 07-02).

**Greenville County, South Carolina**

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* - continued  
June 30, 2007

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. However, we believe that none of the significant deficiencies described above is a material weakness.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the County'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 are required to be reported under *Government Auditing Standards*.

We noted other matters involving the internal control over financial reporting that we have reported to management of the County in a separate letter dated November 16, 2007.

The County's response to the finding identified in our audit is described in the accompanying schedule of findings and questioned costs. We did not audit the County's response and, accordingly, we express no opinion on it.

This report is intended solely for the information of the County council, management, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than those specified parties.

*Cherry, Balbaert & Holland, LLP*

Greenville, South Carolina  
November 16, 2007



**Independent Auditors' Report on  
Compliance with Requirements Applicable to Each Major  
Federal Program and Internal Control over Compliance in  
Accordance with OMB Circular A-133**

To the Honorable Members of County Council  
Greenville, South Carolina

Compliance

We have audited the compliance of Greenville County, South Carolina (the "County") with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2007. We did not audit the financial statements of the Greenville County Redevelopment Authority (the "Authority"), a discretely presented component unit. Those federal programs were audited by other auditors whose reports thereon have been furnished to us, and our opinion, insofar as it relates to the compliance for the Authority is based solely on the reports of the other auditors. The County's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the County's management. Our responsibility is to express an opinion on the County's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the County's compliance with those requirements.

In our opinion, the County complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2007.

**Greenville County, South Carolina**

Independent Auditors' Report on Compliance with Requirements

Applicable to Each Major Program and Internal Control over

Compliance in Accordance with OMB Circular A-133 - continued

June 30, 2007

Internal Control Over Compliance

The management of the County is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the County's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over compliance.

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses as defined below. However, as discussed below, we identified certain deficiencies in internal control over compliance that we consider to be significant deficiencies.

A control deficiency in an entity's internal control over compliance 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 noncompliance with a type of compliance requirement of a federal program on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of a compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the City's internal control. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items 07-01 and 07-02 to be significant deficiencies.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the County's internal control. Of the significant deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs, we consider none of them to be material weaknesses.

The County's response to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. We did not audit the County's response and, accordingly, we express no opinion on it.

This report is intended solely for the information of the County Council, management and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than those specified parties.

*Cherry, Bassett + Holland, LLP*

Greenville, South Carolina

November 16, 2007

**Greenville County, South Carolina**

Schedule of Findings and Questioned Costs  
Year ended June 30, 2007

**Section I. Summary of Auditors' Results**

Financial Statements

Type of auditors' report issued: Unqualified  
Internal control over financial reporting:

- Material weakness identified?  yes  no
- Significant deficiency identified that is not considered to be a material weakness  yes  none reported

Noncompliance material to financial statements noted  yes  no

Federal Awards

Internal control over major federal programs:

- Material weakness identified?  yes  no
- Significant deficiency identified that is not considered to be material weakness  yes  none reported

Noncompliance material to federal awards  yes  no

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

Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of Circular A-133  yes  no

Identification of major federal programs:

| <u>CFDA#</u> | <u>Program Name</u>   |
|--------------|---|
| 10.904       | <b>Department of Agriculture</b><br>Emergency Watershed Protection                          |
| 14.169       | <b>US Department of Housing and Urban Development</b><br>Housing Counseling Grant           |
| 17.258       | <b>Workforce Investment Act Cluster</b><br>WIA Adult Program                                |
| 17.259       | WIA Youth Activities  |
| 17.260       | WIA Dislocated Worker   |
| 93.563       | <b>US Department of Health and Human Services</b><br>Child Support Enforcement (Title IV-D) |

Dollar threshold used to distinguish between Type A and Type B Programs \$ 300,000

Auditee qualified as low-risk auditee?  yes  no

## Greenville County, South Carolina

### Schedule of Findings and Questioned Costs Year ended June 30, 2007

#### Section II. Financial Statement Findings

##### **Finding: 07-01 Cash Disbursements WIA Cluster (17.258 to 17.260)**

1. Criteria or specific requirement – As part of its procurement policy, Greenville County requires invoices to have a purchase order attached before it is sent for payment. (Some exceptions may apply).
2. Condition – Of the twenty five cash disbursements selected for testing, eleven disbursements did not have a purchase order when one was required.
3. Questioned costs – None.
4. Context – The extent of this matter is that it is considered a significant deficiency.
5. Effect – The effect of this matter was that an internal control procedure was not followed by the WIA department. Controls over purchases help to prevent and / or detect errors, either intentional or unintentional in the normal course of an employee's duties.
6. Cause – The WIA department failed to go through the administrative paperwork involved to issue a purchase order.
7. Recommendation – The WIA Administrator should ensure that all invoices have the required purchase order attached. The WIA department should also schedule a workshop with the State agency to provide training on the state's requirements on purchasing for WIA funds.
8. Management's response – The WIA department and SC WIA Administrator's Association is in the process of scheduling a meeting with the State agency (SC DOC) to receive technical assistance regarding SC DOC's financial monitoring process. Past financial monitoring of the WIA program was done by the SC Employment Security Commission, in which local WIA programs were required to follow their local administrative entity's procurement policies. However, the SC DOC now requires the WIA to follow the SC Consolidated Procurement Codes for situations where the local administrative entity's procurement policy is less restrictive. Therefore, WIA has obtained a copy of the SC Consolidated Procurement Codes and has also requested from the SC DOC a copy of their WIA financial monitoring instrument and Appeal procedures. Receipt of these documents will assist in training WIA financial staff to SC DOC's monitoring process.

In summary, the WIA program will, to the extent practical, align its procurement process to ensure that purchase orders are generated for purchases and the purchase orders will be attached to all invoices.

##### **Finding: 07-02 Prior Period Adjustment – Solid Waste Fund**

1. Criteria or specific requirement – Construction in process (CIP) should be capitalized throughout construction and re-classed to a depreciable asset upon completion.
2. Condition – Construction costs on the new landfill from the prior year were inappropriately expensed. In fiscal year, June 30, 2006, County management identified this item; however, it was not noted in a timely fashion.
3. Questioned costs – None.
4. Context – The extent of this matter is that it is considered a significant deficiency.
5. Effect – The effect of this matter was that an internal control procedure over proper capitalization of assets was not followed; the control system did detect this item.
6. Cause – The CIP expenses were coded to an account that normally records operating expenses. The character of the expenses was not noticed until the full cost of the landfill was being capitalized.

## Greenville County, South Carolina

### Schedule of Findings and Questioned Costs Year ended June 30, 2007

#### Section II. Financial Statement Findings

##### **Finding: 07-02 Prior Period Adjustment – Solid Waste Fund (continued)**

7. Recommendation – The County should review its controls over ensuring all CIP expenses are appropriately capitalized proprietary funds.
8. Management Response – County management identified this item and brought it to the attention of the external auditors in early 2007. This was a single exception and occurrence within an adequately designed and functioning control system.

#### Section III. Federal Award Questioned Costs & Findings

There were no federal award findings or questioned costs.

**Greenville County, South Carolina**

Schedule of Prior Year Audit Findings  
Year ended June 30, 2007

| Program | Findings/Noncompliance | Status |
|---------|------------------------|--------|
|---------|------------------------|--------|

There were no prior year audit findings.