

GREENVILLE COUNTY, SOUTH CAROLINA

Notes to Schedule of Expenditures of Federal Awards For the year ended June 30, 2010

1. Presentation

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*.

2. Restatement

Expenditures for the FEMA Pre-Disaster Mitigation Grant (CFDA number 97.047) includes \$377,876 of expenditures that were incurred during the year ended June 30, 2009, but received during the year ended June 30, 2010. Exclusion of these grant revenues in the June 30, 2009 financial statements have resulted in the County restating the June 30, 2009 net assets of the Stormwater Fund; see prior period adjustment note to the financial statements. In accordance with recommendation of the pass-through entity, the South Carolina Emergency Management Division, the County has included total grant expenditures on this year's Schedule of Expenditures of Federal Awards.

GREENVILLE COUNTY, SOUTH CAROLINA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the year ended June 30, 2010

Federal Grantor/Pass-Through Grantor Program Title	Federal CFDA Number	Pass- Through Grantor's Number	Expenditures	Federal Awards passed through to subrecipients
Environmental Protection Agency				
Passed through SC Department of Health and Environmental Control				
ARRA - Diesel Emission EQ-0-710	66.040	EQ-0-710	\$ 4,721	\$ -
Total ARRA Funds			<u>4,721</u>	<u>-</u>
Diesel Emission Reduction EQ-9-940	66.040	EQ-9-904	22,076	-
Total passed through SC Department of Health and Environmental Control			<u>26,797</u>	<u>-</u>
Total Environmental Protection Agency			<u>26,797</u>	<u>-</u>
U.S. Department of Agriculture				
Direct Programs				
Emergency Watershed Protection	10.904	N/A	2,677	-
Total Direct Programs			<u>2,677</u>	<u>-</u>
Total U.S. Department of Agriculture			<u>2,677</u>	<u>-</u>
U.S. Department of HUD				
Direct Programs				
Housing Counseling Grant	14.169	HC08-0498-019	37,480	-
Housing Counseling Grant	14.169	HC090421164/3048	57,908	-
Total Direct Programs			<u>95,388</u>	<u>-</u>
Total U.S. Department of HUD			<u>95,388</u>	<u>-</u>
U.S. Department of Transportation				
Passed through SC Department of Transportation				
Section 8-Planning Commission	20.505	N/A	79,725	79,725
P/L Funds	20.205	N/A	685,403	-
Total passed through SC Department of Transportation			<u>765,128</u>	<u>79,725</u>
Total U.S. Department of Transportation			<u>765,128</u>	<u>79,725</u>
U.S. Department of Justice				
Direct Programs				
ARRA - JAG Recovery Act FY09	16.738	2009SB890193	584,728	-
Total ARRA Funds			<u>584,728</u>	<u>-</u>
JAG FY09	16.738	2009DJBX0060	249,209	-
JAG FY08	16.738	2008DJBX0368	10,302	-
Total Direct Programs			<u>844,239</u>	<u>-</u>
Passed through SC Department of Public Safety				
ARRA - Criminal Domestic Violence Prosecution	16.803	1GSO9109	608	-
Total ARRA Funds			<u>608</u>	<u>-</u>
SCJAG Firearms Safety Lab	16.803	1GSO9105	75,833	-
Federal Equitable Sharing	16.000	N/A	46,989	-
Victim Services Unit Enhancement	16.575	1VO6106	643	-
Total passed through SC Department of Public Safety			<u>124,073</u>	<u>-</u>
Total U.S. Department of Justice			<u>968,312</u>	<u>-</u>
Department of Energy				
Direct Programs				
ARRA - Energy Efficiency Community Block Grant	81.128	N/A	432,912	-
Total Direct Programs			<u>432,912</u>	<u>-</u>
Total Department of Energy			<u>432,912</u>	<u>-</u>

Continued.

GREENVILLE COUNTY, SOUTH CAROLINA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the year ended June 30, 2010

Federal Grantor/Pass-Through Grantor Program Title	Federal CFDA Number	Pass- Through Grantor's Number	Expenditures	Federal Awards passed through to subrecipients
Continued				
Department of Homeland Security				
Passed through SC Emergency Management Division				
FEMA Pre-Disaster Mitigation Grant	97.047	PDMC-04-SC-2008	652,998	-
Total passed through SC Emergency Management Division			<u>652,998</u>	<u>-</u>
Passed through SC State Law Enforcement Division				
Citizens Corps	97.067	8CCP01	4,374	-
LEMPG	97.042	8EMPG01	16,811	-
LEMPG 9EMPG01	97.042	9EMPG01	40,901	-
LEMPG FY10 10EMPG01	97.042	10EMPG01	12,222	-
EOD Team Enhancement 8SHSP08	97.067	8SHSP08	56,567	-
BZPP 8BZPP01	97.078	8BZPP01	45,300	-
SHSP 2007	97.004	7SHSP16	27,656	-
Total passed through SC State Law Enforcement Division			<u>203,831</u>	<u>-</u>
Total Department of Homeland Security			<u>856,829</u>	<u>-</u>
U.S. Department of Labor				
Passed through SC Department of Employment and Workforce				
ARRA - WIA State Reserve Funds 9ARSF04	17.258/17.259/17.260	9ARSF04	616,793	-
ARRA- WIA Adult ARRA-8A004	17.258	ARRA-8A004	411,559	-
ARRA - WIA Dislocated Worker ARRA-8DW004	17.260	ARRA-8DW004	1,305,303	-
ARRA - WIA Youth ARRA-8Y004	17.259	ARRA-8Y004	1,138,497	983,492
Total ARRA funds			<u>3,472,152</u>	<u>983,492</u>
WIA Adult Ed 8AES004	17.258	8AES004	94,329	-
WIA Incumbent Worker 91WT004	17.26	91WT004	133,857	-
WIA Youth Program 9Y004	17.259	9Y004	993,193	128,938
WIA Rapid Response 9RRIW01	17.258	9RRIW01	53,114	-
WIA Dislocated Worker Program 9DW004	17.260	9DW004	1,135,565	37,385
WIA Incentive	17.258	7INC004	8,603	-
WIA Incumbent Worker 8IWT004	17.260	8IWT004	226,534	-
WIA Rapid Response Additional 9RRA004	17.258	9RRA004	500,000	-
WIA Dislocated Worker 8DW004	17.260	8DW004	99,563	35,057
WIA Youth 8Y004	17.259	8Y004	307,758	121,512
WIA Adult 9A004	17.258	9A004	874,988	20,147
WIA Adult 8A004	17.258	8A004	130,554	6,057
WIA State Reserve Funds 8SRF004	17.258/17.259/17.260	8SRF004	96,032	28,077
WIA Incentive 8INC004	17.258	8INC004	88,412	-
WIA Incentive 9INC004	17.258	9INC004	13,108	-
Total WIA Cluster			<u>4,755,610</u>	<u>377,173</u>
WIA Trade Adjustment 9TAA-004	17.245	9TAA-004	664,792	-
WIA Trade Adjustment Assistance	17.245	8TAA004	26,452	-
Total Trade Adjustment Assistance			<u>691,244</u>	<u>-</u>
Total passed through SC Department of Employment and Workforce			<u>8,919,006</u>	<u>1,360,665</u>
Total U.S. Department of Labor			<u>8,919,006</u>	<u>1,360,665</u>
Total Expenditures of Federal Awards			\$ <u>12,067,049</u>	\$ <u>1,440,390</u>

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



**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, 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, 2010, which collectively comprise the County's basic financial statements and have issued our report thereon dated November 8, 2010. We did not audit the financial statements of the Greenville County Redevelopment Authority (the Authority) or the Greenville County Library Systems (the Library), discretely presented component units. Those financial statements were audited by other auditors whose reports thereon have been furnished to us, and our opinion, insofar as it relates to the amounts included for the Authority and the Library, are based solely on the reports of the other auditors. 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 was not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. However, as described in the accompanying schedule of findings and questioned costs, we identified certain deficiencies in internal control over financial reporting that we consider to be material weaknesses.

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 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. We consider the deficiencies described in the accompanying schedule of findings and questioned costs as item 2010-1 and 2010-2 to be material weaknesses.

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 grants, 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 that are required to be reported under Government Auditing Standards.

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

Greenville, South Carolina
November 8, 2010

Elliott Davis LLC



**Independent Auditor's Report on Compliance with
Requirements That Could Have a Direct And Material Effect On 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, 2010. 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 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, 2010.

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 the 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 was not designed to identify all deficiencies in internal control that might be significant deficiencies or material weaknesses and therefore, there can be no assurance that all deficiencies, significant deficiencies or material weaknesses have been identified. However, as discussed below, we identified a deficiency in internal control over compliance that we consider to be a material weakness.

A deficiency in 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 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. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2010-1 to be a material weakness.

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.

Greenville, South Carolina
November 8, 2010

Ernst Davis LLC

GREENVILLE COUNTY, SOUTH CAROLINA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the year ended June 30, 2010

Section I. SUMMARY OF AUDIT RESULTS

Financial Statements

Type of auditors' report issued: Unqualified

Internal control over financial reporting:

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

Noncompliance material to financial statements noted yes X no

Federal Awards

Internal control over major federal programs:

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

Noncompliance material to federal awards yes X 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 X yes no

Identification of major federal programs:

<u>CFDA #</u>	<u>Program / Cluster Name</u>
16.738	U.S. Dept. of Justice – Justice Assistance Grants
81.128	U.S. Dept. of Energy – Energy Efficiency and Conservation Block Grant Program (ARRA)
97.047	U.S. Dept. of Homeland Security – FEMA Pre-Disaster Mitigation Grant
17.258, 17.259, 17.260	U.S. Dept. of Labor – Workforce Investment Act Cluster (including ARRA)
17.245	U.S. Dept. of Labor – Trade Adjustment Assistance

Dollar threshold used to distinguish between Type A and Type B Programs \$362,011

Auditee qualified as low-risk auditee? X yes no

GREENVILLE COUNTY, SOUTH CAROLINA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the year ended June 30, 2010

Section II. Financial Statement Findings

2010-1 Material Weakness

Condition and Criteria: In the year ended June 30, 2009, the County Stormwater Enterprise Fund incurred material expenses that were reimbursed by a federal grant program subsequent to year end. The County did not accrue the grant revenue and related receivable for these expenditures at June 30, 2009.

Effect: The net assets of the Stormwater Enterprise Fund were understated by \$377,876 as of June 30, 2009.

Cause: The County's year end closing procedures did not discover this overstatement in the review process. The County department that applied for the grant did not inform budget or finance staff of the grant's existence until well after reimbursable expenses were incurred.

Auditor's Recommendation: We recommend the County Departments maintain open lines of communication to ensure that relevant financial information is shared on a timely basis.

2010-2 Material Weakness

Condition and Criteria: The County Agency Property Tax Fund included the governmental and business type activities property taxes receivable in error at June 30, 2009.

Effect: Agency Fund taxes receivable and due to other taxing units were overstated by \$11,762,378 as of June 30, 2009.

Cause: The County's year end closing procedures did not discover this overstatement in the review process.

Auditor's Recommendation: We recommend the County reevaluate its year end procedures and review processes.

Section III. Federal Award Questioned Costs & Findings

See item 2010-1 above.

GREENVILLE COUNTY, SOUTH CAROLINA
SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
For the year ended June 30, 2010

There were no prior year findings