

CITY OF COLUMBIA, SOUTH CAROLINA

**SUPPLEMENTAL FEDERAL FINANCIAL
ASSISTANCE REPORTS**

FOR THE YEAR ENDED JUNE 30, 2022

SCOTT  COMPANY

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Supplemental Federal Financial Assistance Reports

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City of Columbia, South Carolina
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2022

| Federal Grantor/Pass Through Grantor/Program Title | Federal Assistance Listing Number | Pass-Through Entity Identification Number | Expenditures to Subrecipients | Federal Expenditures |
|--|-----------------------------------|---|-------------------------------|----------------------|
| U.S. DEPARTMENT OF AGRICULTURE | | | | |
| Direct Programs | | | | |
| Soil and Water Conservation | 10.902 | | \$ - | \$ 13,893 |
| Total Direct Program | Total ALN 10.902 | | - | 13,893 |
| Total U.S. Department of Agriculture | | | - | 13,893 |
| U.S. DEPARTMENT OF COMMERCE | | | | |
| Direct Programs | | | | |
| Economic Adjustment Assistance | 11.307 | | - | \$ 1,784,813 |
| CARES Act - Economic Adjustment Assistance - COVID-19 | 11.307 | | - | 2,908,780 |
| Total Direct Program | Total ALN 11.307 | Economic Development Cluster | - | 4,693,593 |
| Total U.S. Department of Commerce | | | - | 4,693,593 |
| U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT | | | | |
| Direct Programs | | | | |
| Community Development Block Grant | 14.218 | | - | 1,573,190 |
| | Total ALN 14.218 | CDBG - Entitlement Grants Cluster | - | 1,573,190 |
| Community Block Grants/State's Program - DR | 14.228 | | - | 2,323,671 |
| Community Block Grants/State's Program - MIT | 14.228 | | - | 146,660 |
| | | Total ALN 14.228 | - | 2,470,331 |
| HOME Investment Partnership Program | 14.239 | | - | 137,310 |
| HOME Investment Partnership Program - American Rescue Plan | 14.239 | | - | 978,230 |
| | | Total ALN 14.239 | - | 1,115,540 |
| Housing Opportunities for Persons with AIDS | 14.241 | | - | 1,601,476 |
| | | Total ALN 14.241 | - | 1,601,476 |
| Total Direct Programs | | | - | 6,760,537 |
| Total U.S. Department of Housing and Urban Development | | | - | 6,760,537 |
| U.S. DEPARTMENT OF THE INTERIOR | | | | |
| Passed Through South Carolina Department of Archives and History: | | | | |
| Historic Preservation Fund Grants-In-Aid | 15.904 | NA | - | 533 |
| Total Pass-Through South Carolina Department of Archives and History | | Total ALN 15.904 | - | 533 |
| Total U.S. Department of the Interior | | | - | 533 |
| U.S. DEPARTMENT OF JUSTICE | | | | |
| Direct Programs | | | | |
| Equitable Sharing Program | 16.922 | | - | 374,857 |
| | | Total ALN 16.922 | - | 374,857 |
| Total Direct Programs | | | - | 374,857 |

*See accompanying notes to the schedule of expenditures of federal awards.
See accompanying independent auditor's report.*

| Federal Grantor/Pass Through Grantor/Program Title | Federal Assistance Listing Number | Pass-Through Entity Identification Number | Expenditures to Subrecipients | Federal Expenditures |
|---|-----------------------------------|---|-------------------------------|----------------------|
| U.S. DEPARTMENT OF JUSTICE (continued) | | | | |
| Passed through South Carolina Public Safety: | | | | |
| Project Safe Neighborhoods - NIBIN Analyst | 16.609 | 1P19002 | - | 21,444 |
| | | Total ALN 16.609 | - | 21,444 |
| Edward Byrne Memorial Justice Assistance Grant | 16.738 | 2019-DG-BX-0005 | - | 175,845 |
| | | Total ALN 16.738 | - | 175,845 |
| Total Pass-Through South Carolina Public Safety | | | - | 197,289 |
| Passed through South Carolina State Office of Victim Assistance: | | | | |
| Crime Victim Assistance | 16.575 | 1V19103 | - | 55,487 |
| Crime Victim Assistance - Year 3 | 16.575 | 1V20053 | - | 19,173 |
| | | Total ALN 16.575 | - | 74,660 |
| Total Pass-Through South Carolina State Office of Victim Assistance | | | - | 74,660 |
| Passed through Richland County: | | | | |
| Edward Byrne Memorial Justice Assistance Grant | 16.738 | 1P18001 | - | 85,855 |
| Edward Byrne Memorial Justice Assistance Grant | 16.738 | 2020-DJ-BX-0889 | - | 55,421 |
| Edward Byrne Memorial Justice Assistance Grant | 16.738 | 2019-DJ-BX-0468 | - | 60,582 |
| Edward Byrne Memorial Justice Assistance Grant | 16.738 | 2018-DJ-BX-0656 | - | 83,938 |
| | | Total ALN 16.738 | - | 285,796 |
| Total Pass-Through Richland County | | | - | 285,796 |
| Total U.S. Department of Justice | | | - | 932,602 |
| U.S. DEPARTMENT OF TRANSPORTATION | | | | |
| Passed Through South Carolina Public Safety: | | | | |
| State and Community Highway Safety (Fifth Judicial Circuit) | 20.600 | 2JC21005 | - | 3,315 |
| State and Community Highway Safety (Fifth Judicial Circuit) | 20.600 | 2JC22005 | - | 5,530 |
| | | Total ALN 20.600 | - | 8,845 |
| Total Pass-Through South Carolina Public Safety | | Total Highway Safety Cluster | - | 8,845 |
| Total U.S. Department of Transportation | | | - | 8,845 |
| U.S. DEPARTMENT OF THE TREASURY | | | | |
| Direct Programs | | | | |
| Coronavirus State and Local Fiscal Recovery Funds | 21.027 | | - | 5,164,750 |
| Total Direct Program | | Total ALN 21.016 | - | 5,164,750 |
| Total U.S. Department of the Treasury | | | - | 5,164,750 |
| U.S. DEPARTMENT OF HOMELAND SECURITY | | | | |
| Passed through South Carolina Emergency Management Division: | | | | |
| Disaster Grants - Public Assistance (Presidentially Declared Disasters) | 97.036 | FEMA-4241-PA-SC | 341,935 | 1,591,392 |
| | | Total ALN 97.036 | 341,935 | 1,591,392 |
| Total Passed through South Carolina Emergency Management Division | | | - | 1,591,392 |
| Passed through South Carolina State Law Enforcement Division: | | | | |
| Homeland Security Grant Program | 97.067 | 20SHSP32 | - | 3,272 |
| Homeland Security Grant Program | 97.067 | 20SHSP21 | - | 51,169 |
| Homeland Security Grant Program | 97.067 | 20SHSP40 | - | 95,949 |
| | | Total ALN 97.067 | - | 150,390 |
| Total Pass-Through South Carolina State Law Enforcement Division | | | - | 150,390 |
| Total U.S. Department of Homeland Security | | | - | 1,741,782 |
| TOTAL EXPENDITURES OF FEDERAL AWARDS | | | \$ 341,935 | \$ 19,316,535 |

See accompanying notes to the schedule of expenditures of federal awards.
See accompanying independent auditor's report

CITY OF COLUMBIA, SOUTH CAROLINA
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2022

Note A - Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards (the “Schedule”) includes the federal grant activity of City of Columbia, South Carolina (the “City”) and is presented on the modified accrual basis of accounting. The information in the 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”). Therefore, some amounts presented in this schedule may differ from amounts presented in or used in the preparation of the financial statements. For purposes of the Schedule, federal programs include all federal awards and procurement relationships entered into directly between the primary government, the City, and the federal government, and sub-grants from non-federal organizations made under federally sponsored agreements. Because the Schedule presents only a selected portion of the operations of the City of Columbia, it is not intended to and does not present the financial position, changes in net position, or cash flows of the City of Columbia.

Note B - Summary of Significant Accounting Policies

1 – The financial information shown in the Schedule of Expenditures of Federal Awards reflects amounts recorded by the City during its fiscal year July 1, 2021 through June 30, 2022. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowed or are limited as to reimbursement.

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

Note C - Economic Adjustment Assistance Loan Program (CFDA # 11.307)

The City maintains revolving loan funds pursuant to an Economic Development Administration Loan Grant of the U.S. Department of Commerce grant #04-39-03312 and CFDA #11.307. The accounts for these loan funds are reported in the basic financial statements under the Redevelopment Program Fund. The amount reported on the Schedule of Expenditures of Federal Awards is calculated in accordance with the EDA’s final rule issued on January 27, 2010, and published in the Federal Register (75 FR 4529). This rule requires that each EDA RLF grant be calculated as follows: (1) Balance of RLF loans outstanding at year-end (\$2,131,916) plus, (2) the cash and investment balance in the revolving loan fund as of year-end (\$711,214) plus, (3) administrative expenses paid out of RLF income during the year ended June 30, 2022 (\$35,601) plus, (4) the unpaid principal of all loans written off during the year ended June 30, 2022 (\$0). The federal participation rate for the Economic Adjustment Assistance grant is 62.00%. The federal share of the RLF is the sum of the preceding four items multiplied by the federal participation rate percentage (\$1,784,813), which is reported as the amount of expenditures of the Economic Adjustment Assistance program on the Schedule of Expenditure of Federal Awards.

CITY OF COLUMBIA, SOUTH CAROLINA
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2022

Note C - Economic Adjustment Assistance Loan Program (CFDA # 11.307) (continued)

For fiscal year 2022, the City received a CARES Act Economic Development Administration revolving loan funds pursuant to an Economic Development Administration Loan Grant of the U.S. Department of Commerce grant #04-79-07548 and CFDA #11.307. The accounts for these loan funds are reported in the basic financial statements under the Redevelopment Program Fund. The amount reported on the Schedule of Expenditures of Federal Awards is calculated in accordance with the EDA's final rule issued on January 27, 2010 and published in the Federal Register (75 FR 4529). This rule requires that each EDA RLF grant be calculated as follows: (1) Balance of RLF loans outstanding at year-end (\$2,639,824) plus, (2) the cash and investment balance in the revolving loan fund as of year-end (\$178,162) plus, (3) administrative expenses paid out of RLF income during the year ended June 30, 2022 (\$5,775) and administrative funds paid using award funds designated for administrative expenses during the year ended June 30, 2022 (\$85,019) plus, (4) the unpaid principal of all loans written off during the year ended June 30, 2022 (\$0). The federal participation rate for the Economic Adjustment Assistance grant is 100%. The federal share of the RLF is the sum of the preceding four items multiplied by the federal participation rate percentage (\$2,908,780), which is reported as the amount of expenditures of the CARES Act Economic Adjustment Assistance program on the Schedule of Expenditure of Federal Awards.

Note D - Matching Costs

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

Note E - Contingencies

The City of Columbia receives funds under various federal grant programs, and such awards are to be expended in accordance with the provisions of the various grants. Compliance with the grants is subject to audit by various government agencies which may impose sanctions in the event of non-compliance. Management believes that they have complied with all aspects of the various grant provisions and the results of adjustments, if any, relating to such audits would not have any material financial impact.

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

To the Honorable Mayor and City Council
City of Columbia, South Carolina

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the City of Columbia, South Carolina's (the "City") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the City's major federal programs for the year ended June 30, 2022. The City'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 City 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, 2022.

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 City 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 City'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 City'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 City'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 City'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 City'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 City'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 City'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 aggregate discretely presented component units, each major fund, and the aggregate remaining fund information, of the City as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the City’s basic financial statements. We issued our report thereon dated January 26, 2023, which contained unmodified opinions on those financial statements. Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

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.

Scott and Company LLC

Columbia, South Carolina
August 8, 2023

**CITY OF COLUMBIA, SOUTH CAROLINA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2022**

Section I—Summary of Auditor’s Results

Financial Statements:

We have issued unmodified opinions dated January 26, 2023 on the financial statements of the City of Columbia, South Carolina.

Internal control over financial reporting:

- Material weaknesses identified? No
- Significant deficiencies identified? None reported
- Noncompliance material to financial statements noted? None reported

Federal Awards:

Internal control over major programs:

- Material weaknesses identified? No
- Significant deficiencies identified? None Reported

We have issued an unmodified opinion dated August 8, 2023 on the City of Columbia, South Carolina’s compliance for its major programs.

- Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? No

Identification of major programs

| <u>Federal Assistance Listing Number</u> | <u>Name of Federal Program</u> |
|--|---|
| 11.307 | Economic Development Cluster |
| 14.239 | HOME Investment Partnership Program/HOME – American Rescue Plan |
| 14.241 | Housing Opportunities for Persons with AIDS |
| 21.027 | Coronavirus State and Local Fiscal Recovery Funds |

Dollar threshold used to be distinguished between Type A and Type B Programs: \$750,000

Auditee qualified as low-risk auditee? No

**CITY OF COLUMBIA, SOUTH CAROLINA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2022**

Section II - Financial Statement Findings:

None Reported.

Section III - Federal Award Findings and Questioned Costs:

None Reported.

Summary Schedule of Prior Audit Findings:

None Reported.