
SINGLE AUDIT SECTION

COUNTY OF GEORGETOWN, SOUTH CAROLINA

Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2009

	<u>Federal CFDA Number</u>	<u>Grantor or Pass-Through Agency Award Number</u>	<u>Expenditures</u>
U.S. Department of Housing and Urban Development			
Passed through State			
<i>S.C. Department of Commerce</i>			
CDBG - Community Planning	14.228	4-RP-07-008	\$ 50,000
			<u>50,000</u>
U.S. Department of the Interior			
Passed through State			
<i>S.C. Department of Natural Resources</i>			
Sport Fish Restoration - Pea House Boat Landing	15.605	F-97-D	44,224
Wallop-Breaux - Carroll A. Campbell Marine Complex	15.916	F-110-B	750,000
<i>S.C. Department of Parks, Recreation and Tourism</i>			
LWCF - Carroll A. Campbell Marine Complex	15.916	45-01059	120,356
			<u>914,580</u>
U.S. Department of Justice			
Direct Programs			
State Criminal Alien Assistance Program - Detention Center	16.606	N/A	9,673
			<u>9,673</u>
U.S. Department of Labor			
Passed through State			
<i>S.C. Employment Security Commission and Waccamaw Regional Workforce Investment Board</i>			
Workforce Investment Act - Youth Program	17.269	7369B16	71,043
Workforce Investment Act - Detention Center	17.269	8149BCO	67,534
Workforce Investment Act - Summer Youth	17.269	9YSS16	56,350
			<u>194,927</u>

COUNTY OF GEORGETOWN, SOUTH CAROLINA

Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2009

	<u>Federal CFDA Number</u>	<u>Grantor or Pass-Through Agency Award Number</u>	<u>Expenditures</u>
U.S. Department of Transportation			
Direct Programs			
Andrews Airport: Terminal Design	20.106	3-45-0005-04	58,106
Georgetown Airport Runway 523 Extension - Mitigation & Design	20.106	3-45-0025-09	506,260
Georgetown Airport Runway 523 Extension	20.106	3-45-0025-10	1,618,562
Georgetown Airport Access Road, Terminal Parking, Perimeter Fencing and Apron Expansion	20.106	3-45-0025-11	59,417
Passed through State			
<i>S.C. Department of Transportation</i>			
Choppee & St. Luke Bike/Walking Paths Project	20.205	22Q22RUL6006	<u>31,041</u>
			<u>2,273,386</u>
Institute of Museum and Library Sciences			
Direct Programs			
National Library Service Award	45.312	AL-00-07-0004-07	4,656
Passed through State			
<i>S.C. State Library</i>			
LSTA - Digital Library Newspaper Project	45.310	IE-07-22	<u>19,793</u>
			<u>24,449</u>
U.S. Department of Homeland Security			
Passed through State			
<i>S.C. Emergency Management Division</i>			
Georgetown County Fire Station Retrofit	97.039	DR-1566-004R-SC	126,436
Georgetown County Shelter Shutters	97.039	DR-1625-0008-SC	229,444
SLPG	97.042	7EMPG02	4,631
LEMPG	97.042	8EMPG01	44,050
LEMPG	97.042	9EMPG01	18,909
CERT	97.067	7CCP01	<u>4,096</u>
			<u>427,566</u>
			<u>\$ 3,894,581</u>

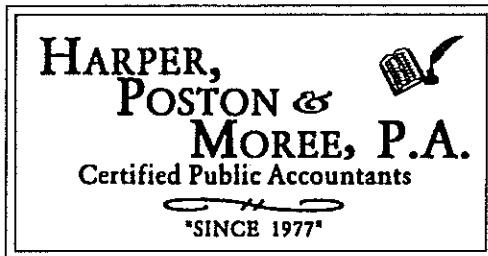
COUNTY OF GEORGETOWN, SOUTH CAROLINA

**Notes to Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2009**

Note 1 – Basis of Presentation

The accompanying schedule of expenditures of federal awards includes the federal grant activity of the County of Georgetown, South Carolina, and is presented on the modified accrual basis of accounting. The information is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

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Robert D. Harper, Jr. CPA
Stacey C. Moree CPA
P. O. Box 1550
106 Wall Street, Litchfield
Pawleys Island, SC 29585
Tel (843) 237-9125
Fax (843) 237-1621
E-mail: HPM@sc.rr.com

Robin B. Poston CPA
P. O. Box 576
307 Church Street
Georgetown, SC 29442
Tel (843) 527-3413
Fax (843) 546-7277

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

The Honorable Chairman and
Members of Georgetown County Council
Georgetown, 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 the County of Georgetown, South Carolina as of and for the year ended June 30, 2009, which collectively comprise the County of Georgetown's basic financial statements and have issued our report thereon dated February 8, 2010. As described in Note 12 to the financial statements, the County adopted GASB Statement No. 45, Accounting and Financial Reporting by Employers for Post Employment Benefits other than Pensions. 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 as a basis for designing our auditing procedures 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 over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over financial reporting.

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 County'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 County's financial statements that is more than inconsequential will not be prevented or detected by the County's internal control.

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 County'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 internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

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*.

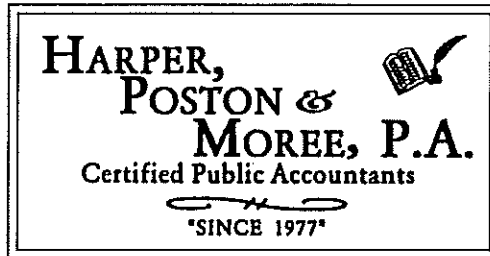
However, we noted other matters involving the internal control over financial reporting that we have reported to management of the County of Georgetown, South Carolina in a separate letter dated February 8, 2010.

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

Harper, Poston & Moree, P.A.

Harper, Poston & Moree, P.A.
Certified Public Accountants

Georgetown, South Carolina
February 8, 2010



Robert D. Harper, Jr. CPA
Stacey C. Moree CPA
P. O. Box 1550
106 Wall Street, Litchfield
Pawleys Island, SC 29585
Tel (843) 237-9125
Fax (843) 237-1621
E-mail: HPM@sc.rr.com

Robin B. Poston CPA
P. O. Box 576
307 Church Street
Georgetown, SC 29442
Tel (843) 527-3413
Fax (843) 546-7277

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS
APPLICABLE TO EACH MAJOR PROGRAM AND ON INTERNAL CONTROL
OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

The Honorable Chairman and
Members of Georgetown County Council
Georgetown, South Carolina

Compliance

We have audited the compliance of the County of Georgetown 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, 2009. 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. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the County of Georgetown, South Carolina'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 of Georgetown'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 of the County of Georgetown's compliance with those requirements.

In our opinion, the County of Georgetown 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, 2009.

Internal Control Over Compliance

The management of the County of Georgetown, South Carolina is responsible for establishing and maintaining effective internal control over compliance with the 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 the entity's 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 compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items 2009 C-1 to be significant deficiencies.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control. We did not consider any of the deficiencies described in the accompanying schedule of findings and questioned costs to be material weaknesses.

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

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

Harper, Poston & Moree, P.A.

Harper, Poston & Moree, P.A.
Certified Public Accountants

Georgetown, South Carolina
February 8, 2010

**County of Georgetown
Georgetown, South Carolina
Schedule of Findings And Questioned Costs
For The Year Ended June 30, 2009**

A. Summary of Audit Results

1. The auditor's report expresses an unqualified opinion on the basic financial statements of the County of Georgetown, Georgetown, South Carolina.
2. No significant deficiencies were disclosed during the audit of the basic financial statements as reported in the Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters.
3. No instances of noncompliance material to the financial statements of the County of Georgetown were disclosed during the audit.
4. One significant deficiency was disclosed during the audit of the major federal award programs as reported in the Independent Auditor's Report on Compliance with Requirements Applicable to each Major Program and Internal Control over Compliance in Accordance with OMB Circular A-133.
5. The auditor's report on compliance for the major federal award programs for the County of Georgetown expresses an unqualified opinion.
6. Audit findings relative to major federal award programs for the County of Georgetown are reported in part C of this schedule.
7. The programs tested as major programs included:

<u>Program</u>	<u>CDFA Number</u>
Airport Improvement Program	20.106
Land Water Conservation Fund	15.916
Hazard Mitigation Grant Program	97.039

8. The threshold for distinguishing Type A and B programs was \$300,000.
9. The County of Georgetown was determined to be a low risk auditee.

B. Findings - Financial Statement Audit

No Findings.

C. Findings and Questioned Costs - Major Federal Award Programs

U.S. Department of the Interior

Land Water Conservation Fund - CFDA #15.916

Sampit River Park Boat Landing - Grant #45-01059

Carroll A. Campbell Marine Complex - Grant #F-110-B

2009-C1 - Davis Bacon Law

Condition: Records had to be obtained from contractor to test for compliance with the Davis Bacon Law.

Criteria: Grant recipients are responsible for testing compliance with the Davis Bacon Law.

Cause: This resulted because no procedure was in place requiring that construction contractors provide certified payrolls to the County for federal awards that require compliance with Davis Bacon Law.

Effect: Weakened internal controls.

**County of Georgetown
Georgetown, South Carolina
Schedule of Findings And Questioned Costs
For The Year Ended June 30, 2009**

Recommendation: We recommend that the County require contractors to submit certified payrolls for grant programs that require compliance with Davis Bacon Law and that this is tested for compliance with prevailing wage requirements.

Management Response: Management concurs with this recommendation.

**County of Georgetown
Georgetown, South Carolina
Summary Schedule of Prior Year Audit Findings
For The Year Ended June 30, 2009**

There are no prior year audit findings relating to federal award programs that are required by Circular A-133 to be reported in the Summary Schedule of Prior Year Audit Findings.

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