

CITY OF COLUMBIA, SOUTH CAROLINA
Reports on Internal Control and Compliance
Year Ended June 30, 2010

CITY OF COLUMBIA, SOUTH CAROLINA
Columbia, South Carolina

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**Independent Auditors' Report on Internal Control Over Financial Reporting and on
Compliance and Other Matters Based on an Audit of Basic Financial Statements
Performed in Accordance With Government Auditing Standards**

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

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 of Columbia, South Carolina**, as of and for the year ended June 30, 2010, which collectively comprise the City of Columbia, South Carolina's basic financial statements and have issued our report thereon dated March 17, 2011. 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 City of Columbia, South Carolina's internal control over financial reporting as a basis for designing 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 City's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the City of Columbia, South Carolina's internal control over financial reporting.

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.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, 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. However, we identified a certain deficiency in internal control over financial reporting described in the accompanying schedule of findings and questioned costs that we consider to be a significant deficiency in internal control over financial reporting. That deficiency is listed as item number 2010-1. *A significant deficiency* is a deficiency, or 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.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City of Columbia, South Carolina'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*.

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The City of Columbia, South Carolina's responses to the findings identified in our audit are described in the accompanying Schedule of Findings and Questioned Costs. We did not audit the City of Columbia, South Carolina's responses and, accordingly, we express no opinion on them.

This report is intended solely for the information and use of the City 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.

Willston Rogers LLP

Columbia, South Carolina
March 17, 2011

Independent Auditors' Report on Compliance With Requirements That Could Have a Direct and Material Effect on Each Major Program and on Internal Control Over Compliance in Accordance With OMB Circular A-133

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

Compliance

We have audited the **City of Columbia, South Carolina's** compliance with the types of compliance requirements described in the OMB Circular A-133, *Compliance Supplement*, that could have a direct and material effect on each of the City of Columbia, South Carolina's major federal programs for the year ended June 30, 2010. The City of Columbia, South Carolina'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 City of Columbia, South Carolina's management. Our responsibility is to express an opinion on the City of Columbia, South Carolina'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 City of Columbia, South Carolina'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 City of Columbia, South Carolina's compliance with those requirements.

As described in item 2010-3 in the accompanying schedule of findings and questioned costs the City of Columbia, South Carolina did not comply with the requirements regarding allowable cost requirements that are applicable to its Community Development Block Grants/Entitlement Grants Program. Compliance with such requirements is necessary, in our opinion, for the City of Columbia, South Carolina to comply with the requirements applicable to that program.

In our opinion, because of the effects of the noncompliance described in the preceding paragraph, the City of Columbia, South Carolina did not comply, in all material respects, with the requirements referred to above that are applicable to its Community Development Block Grants/Entitlement Grants Program. Also, in our opinion, the City of Columbia, South Carolina complied, in all material respects, with the requirements referred to above that could have a direct and material effect on each of its other major federal programs for the year ended June 30, 2010. The results of our auditing procedures also disclosed an instance of noncompliance with those requirements which is required to be reported in accordance with OMB Circular A-133 and which is described in the accompanying schedule of findings and questioned costs as item 2010-2.

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Internal Control Over Compliance

Management of the City of Columbia, 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 City of Columbia, South Carolina'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 and to test and report on internal control over compliance in accordance with OMB Circular A-133, 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 City of Columbia, South Carolina's internal control over compliance.

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph of this section and was not designed to identify all deficiencies in internal control over compliance 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 certain deficiencies in internal control over compliance that we consider to be material weaknesses and other deficiencies that we consider to be significant deficiencies.

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 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 2010-3 to be a material weakness.

A significant deficiency in internal control over compliance is a deficiency, or 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. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item number 2010-2 to be a significant deficiency.

Schedule of Expenditures of Federal Awards

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 of Columbia, South Carolina as of and for the year ended June 30, 2010, and have issued our report thereon dated March 17, 2011. Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

The City of Columbia, South Carolina's responses to the findings identified in our audit are described in the accompanying Schedule of Findings and Questioned Costs. We did not audit the City of Columbia, South Carolina's responses and, accordingly, we express no opinion on them.

This report is intended solely for the information and use of the City of Columbia, South Carolina, management, 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.

Welston Rogers LLP

Columbia, South Carolina
March 17, 2011

**CITY OF COLUMBIA, SOUTH CAROLINA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2010**

Federal Grantor/Pass-Through Grantor's/Agency's or Program Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures
U.S. Department of Agriculture			
Pass through programs from:			
South Carolina Forestry Commission Cooperative Forestry Assistance	10.664	2007U4	\$ 4,662
U.S. Department of Commerce			
Direct			
Economic Adjustment Assistance	11.307		1,923,400
U.S. Department of Housing and Urban Development			
Direct			
Community Development Block Grants/Entitlement Grants	14.218		1,000,125
Home Investments Partnership Program	14.239		1,984,831
Housing Opportunities for Persons with AIDS	14.241		1,233,041
Empowerment Zone Program	14.244		2,136,393
ARRA - Community Development Block Grants - Recovery	14.253		342,783
ARRA - Homelessness Prevention and Rapid Re-Housing Program	14.257		31,940
Subtotal Direct Programs U.S. Department of Housing and Urban Development			6,729,113
Pass through programs from:			
South Carolina State Housing Authority Neighborhood Stabilization Program	14.256	08-NSP104	2,167,754
Total U.S. Department of Housing and Urban Development			8,896,867
U.S. Department of Justice			
Direct			
Bulletproof Vest Partnership Program	16.607		4,263
ARRA - Public Safety Partnership and Community Policing Grants	16.710		285,028
Edward Byrnes Memorial Justice Assistance Grant	16.738		131,322
ARRA - Edward Byrnes Memorial Justice Assistance Grant	16.804		375,988
Subtotal Direct Programs U.S. Department of Justice			796,601
Pass through programs from:			
South Carolina Department of Public Safety			
Paul Coverdell Forensic Sciences Improvement Grant	16.742	1NF08002	23,901
Paul Coverdell Forensic Sciences Improvement Grant	16.742	1NF09003	17,490
ARRA - Edward Byrnes Memorial Justice Assistance Grant	16.803	1GS09191	117,992
Subtotal Pass Through Programs U.S. Department of Justice			159,383
Total U. S. Department of Justice			955,984

(Continued)

CITY OF COLUMBIA, SOUTH CAROLINA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2010
(Continued)

Federal Grantor/Pass-Through Grantor's/Agency's or Program Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures
U.S. Department of Transportation			
Direct			
Recreational Trail Program	20.219		\$ 96,825
Pass through programs from:			
South Carolina Department of Transportation			
Older Driver Program	20.200	DTFH61-06-600009	158,278
Highway Planning and Construction	20.205	HPP0758	3,570,331
State and Community Highway Safety	20.600	2H10012	106,198
State and Community Highway Safety	20.600	2H09012	26,800
Subtotal Pass Through Programs U.S. Department of Transportation			<u>3,861,607</u>
Total U.S. Department of Transportation			<u>3,958,432</u>
U.S. Environmental Protection Agency			
Direct			
Brownsfields Assessment and Cleanup Cooperative Agreements	66.818		31,935
ARRA - Brownsfields Assessment and Cleanup Cooperative Agreements	66.818		<u>318,717</u>
Total Environmental Protection Agency			<u>350,652</u>
U.S. Department of Energy			
Direct			
ARRA - Energy Efficient and Conservation Block Grant	81.128		<u>846,681</u>
U.S. Department of Health and Human Services			
Direct			
Cooperative Agreements to Support State-Based Safe Motherhood and Infant Health Initiative Programs	93.946		<u>92,435</u>
U.S. Department of Homeland Security			
Pass through programs from:			
South Carolina State Law Enforcement Division			
Homeland Security Grant Program	97.067	MMRS2007	141,111
Homeland Security Grant Program	97.067	8MMRS01	241,277
Homeland Security Grant Program	97.067	85HSP06	144,600
Homeland Security Grant Program	97.067	MMRS2004	296
Homeland Security Grant Program	97.067	MMRS2006	7,917
Total U.S. Department of Homeland Security			<u>535,201</u>
Total Expenditures of Federal Awards			<u>\$ 17,564,314</u>

See accompanying Notes to the Schedule of Expenditures of Federal Awards

**CITY OF COLUMBIA, SOUTH CAROLINA
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2010**

1. Basis of Presentation:

The Schedule of Expenditures of Federal Awards has been prepared on the modified accrual basis of accounting. The information presented on this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of State, 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. For purposes of the schedule, federal programs include all federal awards and procurement relationships entered into directly between the primary government, the City of Columbia, South Carolina, and the federal government and sub-grants from non-federal organizations made under federally sponsored agreements.

2. EDA Grants:

The City of Columbia 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. Outstanding loan balances at June 30, 2010, total \$2,464,278 which includes original federal funds of \$1,923,400 and \$540,878 of matching City funds.

3. Subrecipient

Of the federal expenditures presented in the schedule, the City provided federal awards to subrecipients as follows:

<u>Federal Granting Agency</u>	<u>Federal CFDA Number</u>	<u>Amount Provided to Subrecipients</u>
Department of Housing and Urban Development	14.241	\$ 1,208,321
Department of Housing and Urban Development	14.244	1,347,500
		<u>\$ 2,555,821</u>

**CITY OF COLUMBIA, SOUTH CAROLINA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2010**

I - Summary of Auditors' Results

1. The auditors' report expresses an unqualified opinion on the financial statements of the City of Columbia, South Carolina.
2. One significant deficiency disclosed during the audit of the financial statements is reported in the 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*. This deficiency is not reported as a material weakness.
3. No instances of noncompliance material to the financial statements of the City of Columbia, South Carolina, which would be required to be reported in accordance with *Government Auditing Standards*, were disclosed during the audit.
4. Two significant deficiencies in internal control over major federal award programs disclosed during the audit are reported in the Independent Auditors' Report on Compliance with Requirements that Could Have a Direct and Material Effect on Each Major Program and on Internal Control Over Compliance in Accordance With OMB Circular A-133. One of these deficiencies is reported as a material weakness.
5. The auditors' report on compliance for the major federal award programs for the City of Columbia, South Carolina expresses an adverse opinion on the Community Development Block Grants/Entitlement Grants Program and an unqualified opinion on the other major federal programs.
6. Audit findings that are required to be reported in accordance with Section 510(a) of OMB Circular A-133 are reported in this Schedule.
7. The programs tested as major programs included:
 - Community Development Block Grants/Entitlement Grants - CFDA Number 14.218
 - Housing Opportunities for Persons with AIDS – CFDA Number 14.241
 - Empowerment Zone Program – CFDA Number 14.244
 - Community Development Block Grants – Recovery ARRA CFDA Number 14.253
 - Neighborhood Stabilization Program - CFDA Number 14.256
 - Highway Planning and Construction CFDA Number 20.205
 - Brownsfields Assessment and Cleanup Cooperative Agreements ARRA - CFDA Number 66.818
 - Energy Efficient Conservation Block Grant ARRA - CFDA Number 81.128
 - Homeland Security Grant Program – CFDA Number 97.067
8. The threshold used for distinguishing between Type A and Type B programs was \$469,227.
9. The City of Columbia, South Carolina did not qualify as a low risk auditee.

CITY OF COLUMBIA, SOUTH CAROLINA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2010

II - Financial Statement Findings

Significant Deficiencies

2010-1 Timely Requesting of Reimbursement of Grant Expenditures

Condition: The City does not consistently follow its policy on the submission of claims for reimbursement.

Criteria: Good business practices require the timely submission of claims for reimbursement.

Cause: Employees responsible for requesting reimbursement for grant expenditures are not adhering to the published policies on reimbursements of grant expenditures. These policies, among other things, require monthly submission of reimbursement requests to the respective grantor agency.

Effect: The lack of consistency in the timely submission of claims for reimbursement generates a negative impact on cash flow. Unrestricted funds that could be used for other purposes have to be used to fund grant expenditures. Not timely invoicing grantor agencies also increases the risk revenue will not be recorded timely or accurately as well as not being reimbursed at all if the claim is submitted after the deadline for submission has passed.

Recommendation: We recommend the City consistently follow adopted policies and procedures that establish specific criteria for when and how reimbursement of grant expenditures will be performed.

Management Response: The procedure for grants and contracts is as follows: "Effective December 31, 2008, a trial balance will be run on or about the first day of the month for all grant funds. From said trial balance, a journal entry will be prepared debiting grant accounts receivable and crediting grant revenue. The journal entry will be dated the last day of the previous month. A drawdown request for the amount of the journal entry must accompany the journal entry as documentation. This procedure must be followed for all grants (federal, state, and other). The drawdown when received will be dated the date of receipt. A receivable outstanding longer than 60 days is required to be communicated to the Deputy Finance Director. This procedure is to be followed until revised." Since the effective date of the policy, noncompliance issues have been addressed and continue to improve.

CITY OF COLUMBIA, SOUTH CAROLINA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2010

III – Findings and Questioned Costs – Major Federal Award Programs

2010-2 Subrecipient Monitoring

**Housing Opportunities for Persons with AIDS CFDA 14.241
Empowerment Zone Program CFDA 14.244**

Condition: There was limited documentation of the City performing any monitoring of its subrecipients.

Criteria: OMB Circular A-133, the Empowerment Zone Programs and the Community Development Block Grants require that any grant subrecipients be monitored to ensure the use of federal awards is in accordance with applicable laws and requirements.

Cause: The City's internal control procedure requiring a review by someone knowledgeable of federal grant requirements was not followed, and as a result, the City employees failed to detect whether monitoring efforts were performed and documented.

Questioned Costs: There were no questioned costs related to this finding.

Effect: The City was not able to fully determine whether subrecipient use of the grant funds was in accordance with applicable laws and requirements in a timely manner.

Recommendation: The City should adequately document monitoring visits on subrecipients, and documentation of these visits and procedures performed should be retained in the subrecipient's grant file maintained by the City of Columbia.

Management Response: The Office of Community Development has been instructed that monitoring visits/documentation must be maintained for all grants.

2010-3 Allowable Costs

Community Development Block Grants/Entitlement Grants CFDA 14.218

Condition: The City of Columbia's expenditures for public services under the CDBG program exceeded the amount allowed by the grant.

Criteria: The amount of expenditures for the public service category is limited by 24 CFR Part 570.201. Under 24 CFR Part 570.201, the amount of CDBG funds that can be used for public services cannot exceed fifteen percent of each entitlement grant, plus fifteen percent of program income, as defined in Section 570.500(a).

Cause: The City's internal control procedure requiring a review of someone knowledgeable of federal grant requirements was not followed resulting in the City failing to realize the amount of public service expenses charged to the grant exceeded the cap and also failed to detect the carry over amount from prior years of public service expenditures allowed under the grant was not entered correctly on Form PR 26-CDBG Financial Summary Report.

Questioned Costs: \$308,502.

Effect: Noncompliance with the Allowable Costs/Costs Principles compliance requirement.

Recommendation: The City should have someone knowledgeable of grant reporting and requirements review reports prior to submission to Federal agencies and also monitor the amount of expense charged to specific categories for compliance with federal regulations.

**CITY OF COLUMBIA, SOUTH CAROLINA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2010**

2010-3 Allowable Costs (Continued)

Management Response: The City has revised internal procedures for drawdown of federal funds for accuracy and tracking between the Office of Community Development and the Accounting Department. These procedures include, but are not limited to, establishing a formula for program income calculation, adjusting unliquidated obligations, and reviewing the history of the IDIS PR-26 report. The City is currently in negotiations with HUD to reduce the liability.

CITY OF COLUMBIA, SOUTH CAROLINA
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
YEAR ENDED JUNE 30, 2010

**Community Development Block Grants/Entitlement Grant
Empowerment Zone Program**

Finding 2009-4 Subrecipient Monitoring

Condition: The City of Columbia failed to maintain documentation of monitoring visits.

Recommendation: The auditor recommended the City adequately document monitoring visits on subrecipients, and documentation of these visits and procedures performed should be retained in the subrecipient's grant file maintained by the City. Management concurred with the recommendation and instructed the Office of Community Development that documentation of all monitoring visits be maintained.

Current Status: This is a repeat finding (Finding 2010-2) in 2010.

Community Development Block Grants/Entitlement Grants

Finding 2009-5 Allowable Costs

Condition: The City of Columbia failed to document a vehicle purchased with CDBG funds was used to carry out CDBG assisted activities.

Recommendation: The auditor recommended the City have someone knowledgeable of grant requirements review the proposed expenditures prior to approving payment and ensuring proper documentation is maintained on all expenditures.

Current Status: Management concurred with the recommendation and modified the internal work flow such that the Office of Finance was included in the review process for all federal grant expenditures. No similar findings were noted in the 2010 audit.

Empowerment Zone Program

Finding 2009-6 Subrecipient Agreement

Condition: The City of Columbia failed to execute a subrecipient agreement containing the required items from OMB Circular A-133 Section .400 prior to making an award to the Columbia Empowerment Zone, Inc.

Recommendation: The auditor recommended the City should execute either a subrecipient agreement or some other legal instrument that authorizes the Columbia Empowerment Zone, Inc. to carry out the duties and responsibilities for such empowerment zone activities as have been approved by the governance board and contains the items required by OMB Circular A – 133 Section .400.

Current Status: Management concurred with the recommendation and instructed the Office of Community Development to execute the required subrecipient agreements. No similar findings were noted in the 2010 audit.

**CITY OF COLUMBIA, SOUTH CAROLINA
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
YEAR ENDED JUNE 30, 2010**

Finding 2009-7 Eligibility

Condition: The Sumter-Columbia Empowerment Zone was not able to clearly document the use of the proceeds of a loan that was used in the Empowerment Zone to either acquire or support a business located in the Empowerment Zone consistent with the purpose of the approved Implementation Plan.

Recommendation: The auditor recommended the City of Columbia have someone knowledgeable of grant requirements review proposed expenditures prior to the funds being disbursed.

Current Status: Management concurred with the recommendation, and the internal workflow was modified such that the Office of Finance is included in the review of all federal funds expenditures. No similar findings were noted in the 2010 audit.

Finding 2009-8 Eligibility

Condition: The Sumter-Columbia Empowerment Zone made a \$280,000 loan for the acquisition of commercial property with the intended purpose of leasing this property as office space.

Recommendation: The auditor recommended the City of Columbia have someone knowledgeable of grant requirements review proposed expenditures prior to the funds being disbursed.

Current Status: Management concurred with the recommendation, and the internal workflow was modified such that the Office of Finance is included in the review of all federal funds expenditures. No similar findings were noted in the 2010 audit.

Economic Adjustment Assistance

Finding 2009-10 Special Reporting

Condition: The amounts reported on lines III-C-14, III-D-20, V-C-9, and V-C-11 on the September 30, 2008, and March 31, 2009, ED 209S did not agree with amounts reported in the City's general ledger.

Recommendation: The auditor recommended the City of Columbia have someone in the Office of Finance review the report prior to submission to the grantor agency.

Current Status: Management concurred with this recommendation and someone in the Office of Finance will review all federal grant reports prior to their submission to the federal grantor agency. No similar findings were noted in the 2010 audit.