CITY OF DILLON MUNICIPAL COURT
DILLON, SOUTH CAROLINA

INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

For the Year Ended June 30, 2023

SOUTH CAROLINA OFFICE OF THE STATE AUDITOR
1401 Main Street, Suite 1200 • Columbia, SC 29201

June 3, 2024

The Honorable Mackie D. Hayes., Chief Judge
Ms. Angela Freitas, Clerk of Court
City of Dillon
Dillon, South Carolina

This report resulting from the application of agreed-upon procedures to the accounting records of the City of Dillon Municipal Court System as of and for the period July 1, 2022 through June 30, 2023, was issued by The Hobbs Group, P.A., under contract with the South Carolina Office of the State Auditor.

If you have any questions regarding this report, please let us know.

Respectfully submitted,

George L. Kennedy, III, CPA
State Auditor

GLKIII/sag

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June 30, 2023

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1704 Laurel Street
Columbia, SC 29201

P.O. Box 2411
Columbia, SC 29202

Phone (803) 799-0555
Fax (803) 799-4212

TheHobbsGroup
CERTIFIED PUBLIC ACCOUNTANTS & CONSULTANTS, PA

125 W. Stone Avenue
Greenville, SC 29609

Phone (864) 271-7503
Fax (864) 751-5889

www.hobbscpa.com

INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

June 3, 2024

Mr. George L. Kennedy, III, CPA
State Auditor
State of South Carolina
Columbia, South Carolina

The Honorable Mackie D. Hayes., Chief Judge
Ms. Angela Freitas, Clerk of Court
City of Dillon
Dillon, South Carolina

We have performed the procedures described below on the systems, processes, and behaviors related to financial activity of the City of Dillon Municipal Court (the "*City*") for the period July 1, 2022 through June 30, 2023, in the areas addressed. The City is responsible for the systems, processes and behaviors related to financial activity.

The South Carolina Office of the State Auditor has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the systems, processes and behaviors related to financial activity for the period July 1, 2022 through June 30, 2023. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and the associated findings are as follows:

1. **Clerk of Court**
   - We obtained the court dockets or equivalents from the Clerk of Court. We haphazardly selected 25 cases from the court dockets and recalculated the fine, fee, assessment and surcharge calculation to confirm that the fine, fee, assessment and surcharge were properly allocated in accordance with applicable State law and the South Carolina Court Administration fee memoranda.
   - We haphazardly selected 25 court receipt transactions to confirm that the fine, fee, assessment and surcharge adhered to State law and the South Carolina Court Administration fee memoranda and that the receipts were allocated in accordance with applicable State law.

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We found no exceptions as a result of the procedures performed.

2. **City Treasurer**
    - We inspected all monthly court remittance forms or equivalents to confirm that the forms were completed in accordance with instructions and submitted timely in accordance with State law.
    - We agreed the amounts reported on the monthly remittance forms or equivalents to the City's support.
    - We inspected the City's support to confirm that the City properly classified fine, fee, assessment, and surcharge receipts.
    - We inspected all State Treasurer's Revenue Remittance Forms ("STRRF") for the period July 1, 2022 through June 30, 2023 and agreed the amounts reported on the STRRF to the court remittance forms or equivalents.

We found no exceptions as a result of the procedures performed.

3. **Victim Assistance**
    - We made inquiries and confirmed that any funds retained by the City for victim assistance were deposited into a separate account.
    - We haphazardly selected five expenditures to confirm that the City expended victim assistance funds in accordance with State law and the South Carolina Court Administration fee memoranda.
    - We inspected the City's victim assistance account to confirm the Victim Assistance fund balance was retained as of July 1 from the previous fiscal year in accordance with State law.

We found no exceptions as a result of the procedures performed.

4. **Uniform Schedule of Court Fines, Assessments and Surcharges**
    - We agreed amounts reported by the City on its Uniform Schedule of Court Fines, Assessments and Surcharges ("Uniform Schedule"), as reported in the annual financial statement audit, for the period July 1, 2021 through June 30, 2022, to the City's general ledger.
    - We inspected the City's Uniform Schedule of Court Fines, Assessments and Surcharges, as reported in the annual financial statement audit to confirm that it contained all the elements required by the South Carolina Code of Laws Section 14-1-208.

Findings -- <u>Uniform Schedule</u>:

The Uniform Schedule of Court Fines, Assessments and Surcharges does not properly describe the amount of interest income earned during the fiscal year of $2.34. This amount was combined and reported with victim service fines retained by the City.

All amounts expended for victims funds were classified as salary and benefits, however, only $3,723.60 relates to salary and benefits expenditures, $708.10 should have been disclosed as operating expenditures and $500 should have been classified under Victim Service Donation for amounts sent to the Cares House.

Section 14-1-208 (e)(1) of the 1976 South Carolina Code of Laws, as amended, states, "…the Uniform Supplemental Schedule Form developed by the Office of the Attorney General, South Carolina Crime Victim Services Division, must be used by all counties and municipalities to report their crime victim services funds and must include the following elements;:…(f) the total funds, by source, allocated to victim service activities, how those funds were expended, and any balances carried forward."

Management Response: See Attachment A.

We were engaged by the South Carolina Office of the State Auditor to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants. We were not engaged to and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on the systems, processes, and behaviors related to financial activity of the City for the period July 1, 2022 through June 30, 2023. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent of the City and to meet our ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

This report is intended solely for the information and use of the Governor, Chairmen of the House Ways and Means Committee, Senate Finance Committee, House Judiciary Committee, Senate Judiciary Committee, members of the City of Dillon Municipal Council, the Clerk of Court, City Clerk/Treasurer, State Treasurer, South Carolina Department of Crime Victim Compensation, and the Chief Justice and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a matter of public record and its distribution is not limited.

The Hobbs Group, P.A.
Columbia, South Carolina

The Hobbs Group, P.A.

Attachment A

City of Dillon

401 West Main Street PO Drawer 431
Dillon, SC 29536
(843) 774-0040 Fax: (843) 774-0050
www.cityofdillon.sc.gov

June 5, 2024

Ally Rivers, CPA
The Hobbs Group

Re: Victim's Assistant Account Audit Findings

Dear Ally:

On the findings concerning the Victim's Assistant account I will report the interest separately from Victim's Fines retained by the City of Dillon.

On the findings concerning the expenditures, I will separate the donations and other expenses going forward in the audit.

If you have any other concerns, please do not hesitate to give me a call at 843-774-0040 Ext. 1018 or email me at jwbdillon@bellsouth.net

Sincerely,

Janet W. Bethea
City of Dillon
Finance Director

JWB