CITY OF FOREST ACRES MUNICIPAL COURT
FOREST ACRES, SOUTH CAROLINA

INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

For the Year Ended June 30, 2024

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

June 4, 2025

The Honorable Zack Atkinson, Chief Judge
City of Forest Acres
Forest Acres, South Carolina

This report resulting from the application of agreed-upon procedures to the accounting records of the City of Forest Acres Municipal Court System as of and for the period July 1, 2023 through June 30, 2024, was issued by The Hobbs Group, 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,

Sue F. Moss, CPA
Interim State Auditor

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INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

June 4, 2025

Ms. Sue F. Moss, CPA
Interim State Auditor
State of South Carolina
Columbia, South Carolina

The Honorable Zack Atkinson, Chief Judge
City of Forest Acres
Forest Acres, South Carolina

We have performed the procedures described below on the systems, processes, and behaviors related to financial activity of the City of Forest Acres Municipal Court (the "*City*") for the period July 1, 2023 through June 30, 2024, 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, 2023 through June 30, 2024. 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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Findings – <u>Adherence to Fine Guidelines</u>:

During our inspection of the City's court collections and remittances, we observed the following instances in which the City did not fine the defendant in accordance with State law:

<u>Speeding, Ten miles per hour or less over the speed limit</u>
The City fined an individual $25.96 for speeding ten miles per hour or less over the speed limit. Section 56-05-1520(G)(1) of the 1976 SC Code of Laws, as amended states, "A person violating the speed limits established by this section is guilty of a misdemeanor and, upon conviction for a first offense, must be fined or imprisoned as follows:

> (3) ten mile per hour or less than above the posted limit by a fine of not less than fifteen nor more than twenty-five dollars;..."

<u>Driving Under Suspension, First Offense</u>
The City fined an individual $299.76 for driving under suspension, license not suspended with a DUI, first offense. Section 56-0460(A)(1)(a) of the 1976 SC Code of laws, as amended, states, "A person who drives a motor vehicle on a public highway of this State when the person's license to drive is cancelled, suspended, or revoked must, upon conviction be punished as follows:

> (a) For a first offense, fined three hundred dollars or imprisoned up to thirty days, or both;"

Management Response: We have contacted Lawtrak regarding the fine assessment rounding errors mentioned in the findings above to mitigate any errors moving forward.

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, 2023 through June 30, 2024 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 sixteen 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, 2023 through June 30, 2024, to the City's general ledger.
    - We inspected the City's Uniform Schedule, 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.

Finding -- <u>Uniform Schedule of Court Fines, Assessments and Surcharges</u>

The City did not properly separate victim service payroll and fringe related expenditures in the amount of $95,848.64 from operating expenditures in the Uniform Schedule of Court Fines, Assessments and Surcharges. The South Carolina Code of Laws Section 14-1-206 (E)(1), as amended states, "To the extent that records are made available in the format determined pursuant to subsection (E)(4), 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 and must include the following elements... (f) the total funds, by source, allocated to victim services activities, how those funds were expended, and any balances carried forward."

Management Response: We have contacted the City's external auditor and notified them of the above to mitigate any errors in the presentation of the Uniform audited schedule in the future.

Finding -- <u>Errors on the Uniform Schedule</u>

The amounts reported in the Uniform Schedule did not agree with the underlying accounting records. The amount for court fines and assessments collected should have been reported as $58,133, but the Uniform Schedule reported $56,980. The amount of victims assessments retained by the City should have been reported at $1,033 but the Uniform Schedule reported $612. The amount of victim service surcharges retained by City should have been $4,703 but was reported as $4,270.

Management Response: The City agrees the information was miscalculated due to error. The City reached out to the external auditor to discuss the finding above. The Senior Accountant's response was that the errors in the schedule were immaterial and did not affect their audit opinion as a whole. The City accepts the finding and understands how our processes may need to be modified to ensure all information is presented in future reports.

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, 2023 through June 30, 2024. 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 other 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 Forest Acres 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

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