CITY OF CONWAY MUNICIPAL COURT
CONWAY, SOUTH CAROLINA

INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

For the Year Ended June 30, 2025

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

June 9, 2026

The Honorable Kayla Fleming, Chief Judge
Ms. Nikki Goldman, Clerk of Court
City of Conway Municipal Court
Conway, South Carolina

This report resulting from the application of agreed-upon procedures to the accounting records of the City of Conway Municipal Court as of and for the period July 1, 2024 through June 30, 2025, was issued by The Hobbs Group, P.A, Certified Public Accountants 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

803-253-4160 803-343-0723 OSA.SC.GOV

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1704 Laurel Street
Columbia, SC 29201

125 W. Stone Avenue
Greenville, SC 29609

5 Broad Street
Sumter, SC 29150

TheHobbsGroup
CERTIFIED PUBLIC ACCOUNTANTS & CONSULTANTS, PA

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

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

INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

June 9, 2026

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

The Honorable Kayla Fleming, Chief Judge
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City of Conway
Conway, South Carolina

We have performed the procedures enumerated below on the systems, processes, and behaviors related to financial activity of the City of Conway Municipal Court (the "*City*") for the period July 1, 2024 through June 30, 2025, 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, 2024 through June 30, 2025, and reported on findings, if applicable, based on the procedures performed. 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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Finding -- Installment Fee

There were two instances in which the City did not assess and collect the three percent installment fee from individuals who paid in installments. Section 14-17-725 of the 1976 South Carolina Code of Laws, as amended, states, "Where criminal fines, assessments, or restitution payment are paid through installments, a collection cost charge of three percent of the payment also must be collected by the clerk of court, magistrate, or municipal court from the defendant..".

Management Response: Collection fees and payment schedules are entered on a case after the disposition is entered by the clerk. The two instances in question had initial payments made while court was still in session, therefore, the disposition had not been entered. The collection fee was entered on each case and collected after the first payment was made.

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, 2024 through June 30, 2025 and agreed the amounts reported on the STRRF to the court remittance forms or equivalents.

Finding -- Timely Reporting of State Treasurer Revenue Remittance Form

The State Treasurer Revenue Remittance Form was not submitted by the required due date for the reporting month of November 2024. The form was submitted two days late. South Carolina Code of Laws Section 14-1-208(B) requires the city treasurer to remit the applicable municipal court assessment revenue to the State Treasurer on a monthly basis by the fifteenth day of each month and to make reports on a form and in a manner prescribed by the State Treasurer.

Management response: The delay was due to issues related to two chargebacks and one disbursement that the Clerk could not correct independently. We worked through the weekend to resolve the issues and make the necessary adjustments after correspondence through the CMS ticket management software.

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, 2024 through June 30, 2025, 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.

Findings -- Uniform Schedule

The Uniform Supplemental Schedule was not accurately prepared, as the amounts reported for Victim Assistance expenditures did not agree to the City's general ledger detail. Per review of the City's general ledger and testing of Victim Assistance expenditures, the classification of salaries and benefits versus operating expenditures was not correct. The total salaries and benefits amount reported should be $66,400 and total operating expenses should be $1,163.81. Further, only 11 months of the $300 Victim Advocate stipend were recorded instead of 12 months, resulting in an understatement of Victim Assistance expenditures for fiscal year 2025.

Additionally, the amounts reported on the Uniform Schedule as Court Fines and Assessments Remitted to the State Treasurer and Total Court Fines and Assessments Retained should be reported in reverse order. Court Fines and Assessments Remitted to the State Treasurer was reported as ($280,142) but should have been reported as ($367,555) and Total Court Fines and Assessments Retained was reported as $367,555 but should have been reported as $280,142.

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, SC 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." We recommend the City review the Uniform Supplemental Schedule for accuracy and ensure amounts reported agree to the general ledger and supporting documentation prior to submission.

Management Response: The calculation error of the victim's advocate salary was an oversight and additional verification measurers will be applied in the future. The missing $300 monthly statement was found and corrected in FY 25-26. The stipends were set up on an automatic payment schedule, so they were not missed going forward.

5. Status of Prior Findings
   - We inquired with management of the City about the status of prior findings reporting in the Accountants' Comments section if any prior engagement has occurred.

Status of findings from the fiscal year ended June 30, 2019:

All findings were resolved.

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, 2024 through June 30, 2025. 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 Conway 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