GREENVILLE COUNTY REDEVELOPMENT AUTHORITY
(A Component Unit of Greenville County)

GREENVILLE, SOUTH CAROLINA

AUDITED FINANCIAL STATEMENTS
June 30, 2023

(With Independent Auditors' Report Thereon)

GREENVILLE COUNTY REDEVELOPMENT AUTHORITY
(A Component Unit of Greenville County)
Annual Financial Report

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MARTIN · SMITH
& COMPANY CPAs

INDEPENDENT AUDITORS' REPORT
ON FINANCIAL STATEMENTS

The Board of Directors
Greenville County Redevelopment Authority
Greenville, South Carolina

Opinion
We have audited the accompanying financial statements of the governmental activities and the major fund of Greenville County Redevelopment Authority ("the Authority"), a component unit of Greenville County, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Authority's financial statements, as listed in the accompanying table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities and the major fund of Greenville County Redevelopment Authority at June 30, 2023, and the changes in financial position thereof for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinion
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. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Greenville County Redevelopment Authority and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements
Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Greenville County Redevelopment Authority's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Financial Statements
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and, therefore, is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and Government Auditing Standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and Government Auditing Standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information
Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, and pension liability information, as listed in the accompanying table of contents, be presented to supplement the financial statements. Such information, although not a required part of the financial statements, is supplementary information required by the Governmental Accounting Standards Board ("GASB"), who considers it to be an essential part of financial reporting for placing the financial statements in the appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the financial statements, and other knowledge we obtained during our audit of the financial statements. We do not express an opinion or provide any assurance on the information, because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information
Our audit was performed for the purpose of forming an opinion on the financial statements that collectively comprise the Authority's financial statements taken as a whole. The accompanying Schedule of Expenditures of Federal Awards, as required by the provisions of *Title 2* U.S. Code of Federal Regulations *Part 200,* Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards ("Uniform Guidance"), is presented for purposes of additional analysis and is not a required part of the financial statements of Greenville County Redevelopment Authority. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards is fairly stated in all material respects in relation to the financial statements taken as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated August 17, 2023, on our consideration of Greenville County Redevelopment Authority's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be read in conjunction with this report in considering the results of our audit.

Martin Smith and Company CPAs PA

Greenville, South Carolina
August 17, 2023

This discussion and analysis of Greenville County Redevelopment Authority ("the Authority") financial performance provides an overview of the Authority's financial activities for the year ended June 30, 2023. The intent of this discussion and analysis is to look at the Authority's financial performance as a whole. Readers should also review the notes to the financial statements and the financial statements themselves to enhance their understanding of the Authority's financial performance.

FINANCIAL HIGHLIGHTS

The assets of the Authority exceeded its liabilities at the close of the most recent year by $32,729,130 (net position). Of this amount, however, $9,134,631 represented the net investment in capital assets. Therefore, the Authority reported unrestricted net position of $23,594,499.

The Authority's total net position increased by $1,215,674 during the current year, as compared to an increase of $6,252,885 in the previous year.

As of the close of the current year, the Authority's governmental fund reported an ending fund balance of $28,033,026, an increase of $1,240,282 in comparison with the prior year.

At the end of the current year, the unassigned fund balance for the General Fund was $12,394,598, which represents 150% of the General Fund's annual expenditures.

During the 2023 year, the Authority's governmental fund-type revenues were $9,477,979 compared to $17,366,799 in the prior year. This significant decrease in revenues was caused by several factors: 1) a decrease of approximately $2,200,000 in Federal funding for COVID-19 initiatives, 2) a decrease of $5,000,000 in unrestricted income for funding for COVID-19 initiatives, and 3) a decrease of approximately $600,000 in property sales.

During the current year, the Authority's governmental fund-type expenditures of $8,237,697 were 24% lower than in the prior year, due to timing differences in expending the funds on significant COVID-19 initiatives.

OVERVIEW OF THE FINANCIAL STATEMENTS

Management's Discussion and Analysis serves as an introduction to the Authority's Financial Statements. The Authority's Financial Statements consist of three components:

- Government-Wide Financial Statements
- Fund Financial Statements
- Notes to the Financial Statements

In addition to the Financial Statements, this report contains Required Supplementary Information that will enhance the reader's understanding of the financial condition of the Authority.

Government-Wide Financial Statements

The Government-Wide Financial Statements provide a broad overview of the Authority's overall financial status in a manner similar to a private-sector enterprise.

The Statement of Net Position presents information on all of the Authority's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Authority is improving or deteriorating.

OVERVIEW OF THE FINANCIAL STATEMENTS, Continued

Government-Wide Financial Statements, Continued

The Statement of Activities presents information showing how the Authority's overall net position changed during the most recent fiscal year. All changes to net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, for some items, revenues and expenses are reported in this statement that will only result in cash flows in future fiscal periods.

The Government-Wide Financial Statements can be found at Exhibits A and B of this report.

Fund Financial Statements

The remaining financial statements are Fund Financial Statements that focus on individual parts of the Authority, reporting the Authority's operations in more detail than the Government-Wide Statements.

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Authority, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related requirements. All of the funds of the Authority are Governmental Funds.

Governmental Funds

Governmental Funds are used to account for essentially the same functions reported as governmental activities in the Government-Wide Financial Statements. However, unlike the Government-Wide Financial Statements, Governmental Funds Financial Statements focus on near-term uses of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of Governmental Funds is narrower than that of the Government-Wide Financial Statements, it is useful to compare the information presented for Governmental Funds with similar information presented for Governmental Activities in the Government-Wide Financial Statements. By doing so, readers may better understand the long-term impact of the Authority's near-term financing decisions. Both the Governmental Funds Balance Sheet and the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balance provide a reconciliation to facilitate this comparison.

Notes to the Financial Statements

The notes to the financial statements provide required disclosures and additional information that are essential to a full understanding of material data provided in the Government-Wide and Fund Financial Statements. These notes present information about the accounting policies, significant account balances, and activities of the Authority.

OVERVIEW OF THE FINANCIAL STATEMENTS, Continued

Other information

In addition to the financial statements and accompanying notes, this report also presents certain supplemental schedules.

Major Features of Greenville County Redevelopment Authority Government-Wide and Fund Financial Statements		
	Government-Wide Statements	**Fund Financial Statements**
		Government Funds Only
Scope	Entire Authority unit	The activities of the Authority that are not proprietary or fiduciary
Required financial statements	Statement of Net Position Statement of Activities	Balance Sheet Statement of Revenues, Expenditures, and Changes in Fund Balance
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus
Type of asset/liability information	All assets and liabilities, both financial and capital, and short-term and long-term	Only assets expected to be used and liabilities that come due during the year or soon thereafter; no capital assets included
Type of inflow/outflow information	All revenues and expenses during year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year, expenditures when goods/services have been received and payment is due during the year or soon after

GOVERNMENT-WIDE FINANCIAL ANALYSIS

The following table provides a summary of the Authority's net position for 2023 compared to 2022:

Net Position

	Governmental Activities	
	2023	**2022**
Assets		
Current and other assets	$ 28,355,558	$ 28,603,200
Capital assets	9,134,631	9,128,449
'Total assets	37,490,189	37,731,649
Deferred Outflows of Resources	1,063,408	830,747
Liabilities		
Current liabilities	163,259	2,053,913
Noncurrent liabilities	5,121,384	4,514,801
Total liabilities	5,284,643	6,568,714
Deferred Inflows of Resources	539,824	480,226
Net Position		
Net investment in capital assets	9,134,631	9,128,449
Unrestricted	23,594,499	22,385,007
Total net position	$ 32,729,130	$ 31,513,456

As noted earlier, net position may serve over time as one useful indicator of a government's financial condition. The assets of the Authority exceeded liabilities by $32,729,130 as of June 30, 2023. The Authority's net position increased by $1,215,674 for the fiscal year ended June 30, 2023.

The following table shows the changes in net position for 2023 compared to 2022:

Changes in Net Position

	Governmental Activities	
	2023	**2022**
Revenues		
Federal grants	$ 5,622,917	$ 7,835,852
Loan repayment	219,185	169,309
Sale of property	1,903,655	2,584,000
Rental income	673,989	667,837
Unrestricted income	1,049,750	6,049,750
Miscellaneous	25,520	60,051
Total revenues	9,495,016	17,366,799
Expenses		
Housing services	2,083,194	1,962,947
Public works	2,519,335	749,547
Special projects and subrecipients	1,844,554	6,923,398
Administration	1,832,259	1,464,933
Loss on sale of assets	-	13,089
Total expenses	8,279,342	11,113,914
Change in net position	$ 1,215,674	$ 6,252,885

During the current year, net position of the Authority's governmental activities increased by $1,215,674, as compared to an increase in net position of $6,252,885 in the prior year.

FUND FINANCIAL ANALYSIS

Governmental Funds

The focus of the Authority's Governmental Funds is to provide information on near-term inflows, outflows, and balances of available resources. Such information is useful in assessing the Authority's financing requirements. In particular, unassigned fund balance may serve as a useful measure of the Authority's net resources available for spending at the end of the current fiscal year.

The General Fund is the chief operating fund of the Authority. At the end of the current fiscal year, unassigned fund balance of the General Fund was $12,394,598, nonspendable fund balance was $14,474,475, and the assigned fund balance was $1,163,953. As a measure of the General Fund's liquidity, it may be useful to compare the unassigned fund balance to the total fund expenditures. Unassigned fund balance represents 150% of the total annual General Fund expenditures.

During the current fiscal year, the Authority's General Fund balance increased $1,240,282:

- Total revenues decreased by $7,888,820 from prior year, primarily due to lower COVID-19 initiatives.
- Total expenditures decreased by $2,604,804, primarily due to timing of COVID-19 expenses.

General Fund Budgetary Highlights

The Authority's budget is prepared according to South Carolina law and is based on accounting for certain transactions on a basis of cash receipts, disbursements, and encumbrances. The most significant budgeted fund is the General Fund. During the course of 2023, amendments to the Authority's General Fund budget resulted in changes to budgeted revenues and expenditures, but no change to budgeted net change in fund balances.

CAPITAL ASSET ADMINISTRATION

Capital Assets

At the end of the fiscal year ended June 30, 2023, the Authority had $9,134,631 invested in capital assets, net of depreciation.

The total increase in the Authority's investment in capital assets was $6,182, as the amount expended on acquisitions exceeded depreciation expense and dispositions.

Long-Term Debt

As of June 30, 2023, the Authority had $2,469,550 in outstanding debt (notes payable and compensated absences) compared to $2,594,177 in the prior fiscal year. The Authority made its scheduled payments on its notes payable.

ECONOMIC FACTORS

Inflationary trends in the region compare favorable to national indices. This factor, among others, was considered in preparing the Authority's budget for the fiscal year ended June 30, 2023.

REQUEST FOR INFORMATION

This financial report is designed to provide interested parties with a general overview of the Authority's finances and to show the Authority's accountability for the money it receives. If you have questions about this report, or need additional financial information, contact the Executive Director, 301 University Ridge, Suite S-4300, Greenville, South Carolina 29601.

Exhibit A

GREENVILLE COUNTY REDEVELOPMENT AUTHORITY
(A Component Unit of Greenville County)
Statement of Net Position
June 30, 2023

		Governmental Activities
ASSETS		
Cash and cash equivalents	$	13,557,590
Grants and other receivables		164,220
Leases receivable		159,273
Loans receivable		8,709,208
Real property held for programs		5,765,267
Capital assets, net of accumulated depreciation		9,134,631
Total assets		37,490,189
DEFERRED OUTFLOWS OF RESOURCES		
Deferred amounts relating to pensions		1,063,408
LIABILITIES		
Accounts payable and accrued liabilities		111,881
Unearned revenue		3,094
Funds held in escrow		48,284
Noncurrent liabilities:		
Due within one year		1,710,207
Due in more than one year		759,343
Net pension liability		2,651,834
Total liabilities		5,284,643
DEFERRED INFLOWS OF RESOURCES		
Deferred amounts relating to pensions		397,589
Deferred amounts relating to leases		142,235
		539,824
NET POSITION		
Net investment in capital assets		9,134,631
Unrestricted net position		23,594,499
Total net position	$	32,729,130

The notes to the financial statements are an integral part of this statement.

Exhibit B

GREENVILLE COUNTY REDEVELOPMENT AUTHORITY
(A Component Unit of Greenville County)
Statement of Activities
For the Year Ended June 30, 2023

		Program Revenues			Primary Government
Functions / Programs	**Expenses**	**Charges for Services**	**Operating Grants and Contributions**	**Capital Grants and Contributions**	**Governmental Activities**
Governmental activities:					
Housing services	$ 2,083,194	$ 673,989	$ 2,624,879	$ -	$ 1,215,674
Public works	2,519,335	-	2,519,335	-	-
Special projects and subrecipients	1,844,554	-	1,844,554	-	-
Administration and planning	1,832,259	-	1,832,259	-	-
Total governmental activities	$ 8,279,342	$ 673,989	$ 8,821,027	$ -0-	$ 1,215,674
	Other revenues/expenses:				
	Other income				$ -
	Change in net position				1,215,674
	Net position, beginning of year				31,513,456
	Net position, end of year				$ 32,729,130

The notes to the financial statements are an integral part of this statement.

GREENVILLE COUNTY REDEVELOPMENT AUTHORITY
(A Component Unit of Greenville County)
Balance Sheet - Governmental Funds
June 30, 2023

		Total Governmental Funds
ASSETS		
Cash and cash equivalents	$	13,557,590
Grants and other receivables		164,220
Loans receivable		8,709,208
Real property held for programs		5,765,267
Total assets	$	28,196,285
LIABILITIES AND FUND BALANCES		
Liabilities:		
Accounts payable and accrued liabilities	$	111,881
Unearned revenue		3,094
Funds held in escrow		48,284
Total liabilities		163,259
Fund balances:		
Nonspendable:		
Loans receivable		8,709,208
Real property held for programs		5,765,267
Assigned:		
Encumbered contracts		1,163,953
Unassigned		12,394,598
Total fund balances		28,033,026
Total liabilities and fund balances	$	28,196,285

The notes to the financial statements are an integral part of this statement.

GREENVILLE COUNTY REDEVELOPMENT AUTHORITY
(A Component Unit of Greenville County)
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position
June 30, 2023

Total fund balances - Governmental Funds	$	28,033,026
Amounts reported for governmental activities in the Statement of Net Position are different because of the following:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in Governmental Funds. The cost of assets is $10,945,273, and the accumulated depreciation is $1,810,642.		9,134,631
Leases receivable are not financial resources and, therefore, are not reported in Governmental Funds.		159,273
Some liabilities, including net pension obligations, are not due and payable in the current period and, therefore, are not reported in the funds:		
Net pension liability		(2,651,834)
Compensated absences		(102,432)
Deferred outflows and inflows of resources are applicable to future periods and, therefore, are not reported in the funds:		
Deferred outflows of resources		1,063,408
Deferred inflows of resources		(539,824)
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.		(2,367,118)
Net position of governmental activities	$	32,729,130

The notes to the financial statements are an integral part of this statement.

Exhibit E

GREENVILLE COUNTY REDEVELOPMENT AUTHORITY
(A Component Unit of Greenville County)
Statement of Revenues, Expenditures, and Changes in Fund Balances -
Governmental Funds
For the Year Ended June 30, 2023

	Total Governmental Funds
REVENUES	
Federal grants	$ 5,622,917
Loan repayment	219,185
Sale of property	1,903,655
Rental income	673,989
Unrestricted income	1,049,750
Miscellaneous	8,483
Total revenues	9,477,979
EXPENDITURES	
Current:	
Housing services:	
Delivery of services	670,817
Acquisition	67,655
Disposition	138,095
Property maintenance	242,216
Demolition	49,905
Rehabilitation	143,152
New construction	352,872
Home repair	434,060
Facade improvements	5,000
Economic development	52
Infrastructure/public works	2,519,335
Developer/housing partner	411,280
Public service subrecipients	359,872
Housing assistance	304,838
Shelter, outreach, and COVID-19 assistance	661,713
Administration and planning	1,639,174
Debt service	237,661
Total expenditures	8,237,697
EXCESS OF REVENUES OVER EXPENDITURES	1,240,282
NET CHANGE IN FUND BALANCES	1,240,282
FUND BALANCE, beginning of year	26,792,744
FUND BALANCE, end of year	$ 28,033,026

The notes to the financial statements are an integral part of this statement.

Exhibit F

GREENVILLE COUNTY REDEVELOPMENT AUTHORITY
(A Component Unit of Greenville County)
Reconciliation of Statement of Revenues, Expenditures, and Changes in Fund Balance of Governmental Funds to the Statement of Activities
For the Year Ended June 30, 2023

Total net change in fund balance - Governmental Funds	$ 1,240,282
Amounts reported for governmental activities in the Statement of Activities are different because of the following:	
Governmental Funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their useful lives and reported as depreciation expense. This is the amount by which capital outlays, less dispositions, exceeded depreciation in the current period.	6,182
Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in Governmental Funds - net change in compensated absences.	(6,235)
The issuance of leases receivable and recording of deferred inflow balances are not reported in Governmental Funds. This amount is the net effect of the differnces in the treatment of leases and related items.	17,037
The issuance of long-term debt provides current financial resources to Governmental Funds, while the repayment of the principal of long-term debt consumes the current financial resources of the Governmental Funds. This amount is the net effect of these differences in the treatment of long-term debt and related items.	130,862
Governmental Funds report pension contributions as expenditures. However, in the Statement of Activities, the cost of pension benefits earned, net of employer contributions, is reported as pension expense:	
Pension contributions of the Authority	236,587
Cost of benefits earned, net of employer contributions	(409,041)
Change in net position of governmental activities	$ 1,215,674

The notes to the financial statements are an integral part of this statement.

The accounting policies of the Greenville County Redevelopment Authority ("the Authority") conform to accounting principles generally accepted in the United States of America as applicable to governments. The following is a summary of the more significant accounting policies:

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The Greenville County Redevelopment Authority was established in 1969 under the provisions of Act Number 516 of the General Assembly of South Carolina. The Authority was created by Greenville County, South Carolina and is governed by a Board of Directors ("the Board") appointed by Greenville County Council, and, for financial reporting purposes, is considered to be a department of Greenville County. The Authority is empowered to carry out housing improvement and redevelopment work, including public improvements to streets and rights of way throughout Greenville County.

As stated above, the Authority is a department of Greenville County, South Carolina, and its financial statements are combined with those of Greenville County. The financial statements of the Authority are intended to present the financial position and results of operations of only that portion of the financial reporting entity of Greenville County, South Carolina that is attributable to the transactions of the Authority.

Accounting principles generally accepted in the United States of America require that the reporting organization include (1) the primary government, (2) organizations for which the primary government is financially accountable, and (3) other organizations for which the nature and significance of their relationship with the primary government are such that the exclusion would cause the reporting entity's financial statements to be misleading or incomplete. Based on the application of these criteria, there were no organizations which met the criteria described above.

B. Government-Wide and Fund Financial Statements

The Government-Wide Financial Statements include the Statement of Net Position and the Statement of Activities which report information on all of the activities of the Authority. The Statement of Activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include: 1) charges to customers who purchase, use, or directly benefit from services or privileges provided by a given function, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function.

Fund Financial Statements report detailed information about the Authority. The focus of Governmental Fund Financial Statements is on major funds rather than reporting funds by type. Each major fund is presented in a separate column.

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental fund types are accounted for using a flow of current financial resources measurement focus. The financial statements for governmental funds are a Balance Sheet, which generally includes only current assets and current liabilities, and a Statement of Revenues, Expenditures and Changes in Fund Balances, which reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources.

The Government-Wide Financial Statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

Governmental Fund Financial Statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Authority considers revenues to be available if they are collected within 90 days of the end of the current fiscal period. In determining when to recognize intergovernmental revenues (grants and entitlements), the legal and contractual requirements of the individual programs are used as guidance. Revenues are recognized when the eligibility requirements have been met. Expenditures generally are recorded when a liability is incurred, except for debt service expenditures, as well as expenditures related to compensated absences and claims and judgments which are recorded only when payment is due.

The Authority reports the following major Governmental Fund:

- The General Fund is the Authority's primary operating fund. It accounts for all financial resources of the government, except those required to be accounted for in another fund.

Amounts reported as program revenues include operating grants and contributions.

When both restricted and unrestricted resources are available for use, it is the government's policy to use restricted resources first, then unrestricted resources as they are needed.

D. Assets, Liabilities, and Net Position or Equity

1. Cash and Investments

The Authority's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition. Investments consist of certificates of deposit with terms of more than three months and are reported at fair value.

2. Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both Government-Wide and Fund Financial Statements.

3. Grants Receivable

The Authority receives financial assistance from the U.S. Department of Housing and Urban Development ("HUD") in the form of grants. Grants receivable consist of funds which the Authority has expended for eligible purposes in compliance with grant agreements but for which it has not been paid as of the end of the year.

4. Loans Receivable

Loans are recorded at the principal receivable and are repaid by the recipients in equal monthly installments. Loan terms are for five to thirty years at interest rates ranging from zero to ten percent. Advances do not bear interest and become payable upon the recipients' death or upon the sale or transfer of the property.

There is a concentration of credit risk on the rehabilitation loans made by the Authority. The loans have been made primarily to lower and moderate-income level individuals in the non-incorporated, economically deprived areas of Greenville County. The Authority has experienced outstanding results in collecting these loans, with delinquency rates of approximately 1.19% as of June 30, 2023, and low foreclosure rates.

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

D. Assets, Liabilities, and Net Position or Equity, Continued

5. Real Property Held for Programs

Real property is stated at the lower of cost or estimated net realizable value and is comprised of properties acquired for the purpose of rehabilitation and subsequent resale or rental at fair market or nominal values. The Authority includes the Brutontown Recreation Center as real property held for programs and has rented it under a long-term lease at a nominal value.

6. Capital Assets

Capital assets include equipment and furniture, technology, and vehicles. Capital assets are defined by the Authority as assets with an initial, individual cost of more than $2,500 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. Capital assets are depreciated using the straight-line method over their estimated useful lives of three to thirty-nine years.

7. Long-Term Obligations

In the Government-Wide Financial Statements, long-term debt and other long-term obligations are reported as liabilities in the governmental activities Statement of Net Position.

8. Compensated Absences

The Authority grants compensated annual leave for all employees in varying amounts based on length of service with a maximum vested accumulation of thirty-seven days. All vacation pay is accrued when incurred in the Government-Wide Financial Statements.

9. Deferred Outflows/Inflows of Resources

In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then.

In addition to liabilities, the Statement of Net Position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

10. Unearned Revenues

Unearned revenues arise from the receipt of funds prior to expenditure for the stated purpose of such funds. The unearned revenue is recognized as revenue when the related expenditure is made.

11. Encumbrances

Encumbrances outstanding at year-end are reported as assigned fund balances since they do not constitute expenditures or liabilities.

12. Pension Plan

In Government-Wide Financial Statements, pensions are required to be recognized and disclosed using the accrual basis of accounting, regardless of the amount recognized as pension expenditures on the modified accrual basis of accounting. The Authority recognizes a net pension liability ("NPL"), which represents the Authority's proportionate share of the excess of the total pension liability ("TPL") over the fiduciary net position of the qualified pension plan, measured as of the Authority's fiscal year-end. Changes in the NPL during the period are recorded as pension expense, or as deferred outflows or inflows of resources depending on the nature of the change in the period incurred.

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

D. Assets, Liabilities, and Net Position or Equity, Continued

12. Pension Plan, continued

Those changes in NPL that are recorded as deferred outflows or inflows of resources that arise from changes in actuarial assumptions or other inputs and differences between expected or actual experience are amortized over the weighted average remaining service life of all participants in the respective qualified pension plan and recorded as a component of pension expense beginning with the period in which they are incurred. Projected earnings on qualified pension plan investments are recognized as a component of pension expense. Differences between projected and actual investment earnings are reported as deferred outflows or inflows of resources and amortized as a component of pension expense on a closed basis over a five-year period beginning with the period in which the difference occurred.

13. Net Position

Net position represents the difference between assets plus deferred outflows and liabilities plus deferred inflows. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction, or improvement of those assets. Outstanding debt, which has not been spent, is included in the same net position component as the unspent proceeds. Net position is reported as restricted when there are limitations imposed on its use either through the enabling legislation or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments.

14. Fund Equity

In the Fund Financial Statements, fund balance classifications depict the nature of the net resources reported in the Governmental Fund. Individual governmental funds may include nonspendable resources and amounts that are restricted, committed, or assigned, or any combination of these classifications. The General Fund also includes unassigned amounts. The Authority considers that committed amounts are reduced first, followed by assigned amounts, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of these unrestricted fund balance classifications could be used. The Authority's policy is to apply expenditures against nonspendable fund balance, restricted fund balance, committed fund balance, assigned fund balance, and unassigned fund balance at the end of the fiscal year by adjusting journal entries. First, nonspendable fund balances are determined. Then restricted fund balances for specific purposes, if any, are determined, then any remaining fund balance amounts for the non-general funds. Committed fund balance amounts are established by the Authority's Board through motions passed at the Authority's Board meetings. Assigned fund balance amounts are established by the Authority's administration. The Authority has no assigned fund balance amounts.

Nonspendable Fund Balance - includes amounts which cannot be spent. This includes items that may not be in spendable form or that may be legally or contractually required to be maintained intact. The Authority's nonspendable fund balance represents amounts not in spendable form.

Restricted Fund Balance - includes amounts that have constraints placed upon the use of the resources either by an external party or imposed by law through a constitutional provision or enabling legislation.

Committed Fund Balance - includes amounts that can only be used for the specific purposes pursuant to constraints imposed by a formal action of the Authority's Board.

Assigned Fund Balance - includes amounts that are constrained by the Authority's intent to be used for a specific purpose but are neither restricted nor committed. Assignments of fund balance are established by the Authority's Board or administration. $1,163,953 was assigned for encumbered contracts at June 30, 2023.

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

D. Assets, Liabilities, and Net Position or Equity, Continued

14. Fund Equity, Continued

Unassigned Fund Balance - is the residual classification for the General Fund. This classification represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the General Fund. The General Fund should be the only fund that reports a positive unassigned fund balance amount. In other governmental funds, it may be necessary to report a negative unassigned fund balance.

15. Comparative Data/Reclassifications

Certain comparative total data for the prior year have been presented in order to provide an understanding of the changes in the financial position and operations of the Authority. Also, certain amounts presented in the prior year data have been reclassified in order to be consistent with the current year's presentation.

16. Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements. Estimates also affect the reported amounts of revenue, expenditures, or expenses during the reporting period. Actual results could differ from those estimates.

17. Budgets and Budgetary Accounting

The approved budget and amendments are enacted through the Board authorizing the Executive Director to administer the budget and to transfer necessary appropriations among departments. Additional budget appropriations must be approved by the Board. Formal budgetary integration is employed as a management control device during the year for the General Fund.

The legal level of budget is at the fund level for the Authority. The budgetary schedule displays detail at the department level as additional information.

II. DETAILED NOTES

A. Cash and Investments

The State of South Carolina General Statutes permits the Authority to invest in certain types of financial instruments. Cash may be maintained in demand deposits or savings accounts, certificates of deposit, repurchase agreements, or U.S. government securities. There were no deposit or investment transactions during the year that were in violation of either the state statutes or the Authority's policies.

Custodial credit risk for deposits is the risk that, in the event of a bank failure, the Authority's deposits may not be fully returned to it. The Authority maintains cash balances at four financial institutions. Accounts at each institution are insured by the Federal Deposit Insurance Corporation ("FDIC") up to $250,000. The Authority's policy is that all deposits in excess of federal insurance amounts must be collateralized with securities held by the pledging institution's trust department or agent in the Authority's name. At June 30, 2023, the Authority's carrying amount of deposits was $13,557,590, and the bank balance was $13,588,287, all of which was covered by FDIC or collateralized. The Authority does not have formal investment policies limiting the amount it may invest in any one issuer, limiting its investments based on their credit rating, or limiting investment maturities as a means of managing exposure to fair value losses arising from rising interest rates.

II. DETAILED NOTES, Continued

B. Capital Assets

Capital asset activity for the year ended June 30, 2023 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets not depreciated:				
Land	$ 896,407	$ -0-	$ -0-	$ 896,407
Capital assets being depreciated:				
Equipment and vehicles	$ 511,344	$ -	$ (1,002)	$ 510,342
Buildings	9,275,850	262,674	-	9,538,524
Total capital assets being depreciated	9,787,194	262,674	(1,002)	10,048,866
Less accumulated depreciation for:				
Equipment and vehicles	(472,403)	(14,396)	1,002	(485,797)
Buildings	(1,082,749)	(242,096)	-	(1,324,845)
Total accumulated depreciation	(1,555,152)	(256,492)	1,002	(1,810,642)
Net capital assets being depreciated	8,232,042	6,182	-	8,238,224
Governmental activities capital assets, net	$ 9,128,449	$ 6,182	$ -0-	$ 9,134,631

Depreciation expense charged to functions/programs was as follows:

Governmental activities:	
Housing services	$ 242,096
Administration	14,396
Total depreciation expense for governmental activities	$ 256,492

C. Long-Term Debt

The Authority entered into a loan agreement with a financial institution to borrow up to $800,000 under a promissory note to finance property improvements located in Greenville, South Carolina. The loan agreement called for twenty-four monthly interest payments beginning August 2014 with a stated interest rate of 4.59%. Beginning August 2017, the loan agreement called for monthly principal plus interest payments in the amount of $5,130. The loan was to mature in July 2022. In May 2022, the Authority and bank agreed to changes in the terms of the original loan agreement. The new agreement calls for monthly principal and interest payments in the amount of $5,132 beginning June 2022 through May 2027 with a stated interest rate of 4.49%. The agreement then calls for monthly principal and interest payments in the amount of $5,256 beginning June 2027 through May 2037, with a stated interest rate of prime plus 1.00%. On June 30, 2023, the Authority's balance was $633,422 under this loan agreement.

The Authority entered into a loan agreement with a financial institution to borrow up to $1,836,000 under a promissory note to finance property improvements located in Greenville, South Carolina. The loan calls for twenty-four monthly interest payments with a stated interest rate of prime plus one (currently 3.25%). Beginning January 23, 2020, the loan agreement calls for monthly principal plus interest payments in the amount of $13,331. The loan matures January 2024. On June 30, 2023, the Authority's balance was $1,567,013 under this loan agreement.

II. DETAILED NOTES, Continued

C. Long-Term Debt, Continued

The Authority entered into a loan agreement with a financial institution to borrow up to $200,000 under a promissory note to finance property improvements located in Greenville, South Carolina. The loan calls for monthly principal and interest payments beginning January 2019 through February 2040 with a stated interest rate of 5.20%. On June 30, 2023, the Authority's balance was $166,683 under this loan agreement.

Total interest expense incurred under these loan agreements totaled $106,798 for the year ended June 30, 2023.

The following is a summary of changes in general long-term debt for the year ended June 30, 2023:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
Notes Payable	$ 2,497,981	$ -	$ 130,862	$ 2,367,119	$ 1,607,775
Compensated absences	96,196	6,236	-	102,432	102,432
Governmental activities - Long-term liabilities	$ 2,594,177	$ 6,236	$ 130,862	$ 2,469,551	$ 1,710,207

The aggregate maturities of notes payable subsequent to the year ended June 30, 2023 are as follows:

Year Ending June 30	Principal
2024	$ 1,607,775
2025	42,723
2026	44,780
2027	46,930
2028	49,175
Thereafter	575,736
	$ 2,367,119

D. Leases

The Authority follows the guidance of GASB Statement #87 *Leases*. The Authority has analyzed its leases as lessee and determined that, due to their terms, they do not meet the criteria for recognition as a long-term lease obligation and Right of Use Asset. The Authority leases certain equipment under noncancellable operating leases. The Authority leased its office space on a year-by-year basis through June 30, 2023. Lease expense for the year June 30, 2023, was $94,215. Lease expense under noncancellable leases for the succeeding fiscal year is expected to be $894. The Authority entered into a lease agreement for its office space commencing July 1, 2023. The lease terms are for seven years, with three one-year extensions, at an annual rate of $10.

II. DETAILED NOTES, Continued

D. Leases, Continued

The Authority entered into a lease agreement as lessor to lease a building for use as an adult day care facility. The initial lease term is for two years and ten months, with a three-year renewal option. Monthly lease rates range from $4,000 for the first month, $5,000 for the next ten months, $6,500 for the following year, and $7,500 for the final year. The rate for the renewal option would be $8,000 monthly. This lease meets the criteria for recognition under GASB #87. The Authority recognized a lease receivable of $201,499 based on the present value of lease payments anticipated to be received, and a deferred inflow of the same amount. The lease receivable is being amortized monthly and had a balance of $159,273 at June 30, 2023. The deferred inflow is being reduced on a straight-line basis and had a balance of $142,235 as of June 30, 2023. Lease revenue is recognized as monthly payments are received.

Maturities of the lease receivable outstanding at June 30, 2023, are as follows:

Year Ending June 30	Principal	Interest	Total
2024	$ 71,664	$ 6,336	$ 78,000
2025	87,609	2,391	90,000
Total	$ 159,273	$ 8,727	$ 168,000

The Authority's lease related revenue for the year ended June 30, 2023, consisted of $59,265 in lease revenue and $7,437 in interest income.

E. Fair Value Measurement and Application

The fair value measurement and disclosure framework provides for a three-tier fair value hierarchy that gives highest priority to quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are described below:

Level 1 – Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Authority can access at the measurement date.

Level 2 – Inputs to the valuation methodology, other than quoted prices included in Level 1 that are observable for an asset or liability either directly or indirectly and include:

- Quoted prices for similar assets and liabilities in active markets.
- Quoted prices for identical or similar assets or liabilities in inactive markets.
- Inputs other than quoted market prices that are observable for the asset or liability.
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

Level 3 – Inputs to the valuation methodology that are unobservable for an asset or liability and include:

- Fair value is often based on developed models in which there are few, if any, observable inputs.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used should maximize the use of observable inputs and minimize the use of unobservable inputs.

II. DETAILED NOTES, Continued

E. Fair Value Measurement and Application, Continued

The valuation methodologies described above may produce a fair value calculation that may not be indicative of future net realizable values or reflective of future fair values. The Authority believes that the valuation methods used are appropriate and consistent with GAAP. The use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date. There have been no significant changes from the prior year in the methodologies used to measure fair value.

III. EXPLANATION OF CERTAIN DIFFERENCES BETWEEN THE GOVERNMENTAL FUND STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE AND THE GOVERNMENT-WIDE STATEMENT OF ACTIVITIES

The Governmental Fund Balance Sheet includes a reconciliation between fund balance – total governmental funds and net position – governmental activities as reported in the Government-Wide Statement of Net Position. The net adjustment of $4,696,104 consists of several elements as follows:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds:	
Capital assets	$ 10,945,273
Less accumulated depreciation	(1,810,642)
Net capital assets	9,134,631
Assets that, because they are not due and collectible in the current period, do not provide current resources and, therefore, are not recorded in the fund statements:	
Lease receivable	159,273
	159,273
Liabilities that, because they are not due and payable in the current period, do not require current resources to pay and, therefore, are not recorded in the fund statements:	
Notes payable	(2,367,118)
Long-term compensated absences	(102,432)
Net pension liability	(2,651,834)
	(5,121,384)
Deferred outflows and inflows of resources related to pensions and leases are applicable to future periods and, therefore, are not reported in the funds:	
Deferred outflows of resources related to pensions	1,063,408
Deferred inflows of resources related to pensions	(397,589)
Deferred inflows of resources related to leases	(142,235)
	523,584
Total adjustment	$ 4,696,104

IV. OTHER NOTES

A. Employee Retirement Systems and Pension Plans

The Authority participates in the State of South Carolina's retirement plans, which are administered by the South Carolina Public Employee Benefit Authority ("PEBA"), which was created July 1, 2012, and administers the various retirement systems and retirement programs managed by its Retirement Division. PEBA has an 11-member Board of Directors, appointed by the Governor and General Assembly leadership, which serves as custodian, co-trustee and co-fiduciary of the Systems and the assets of the retirement trust funds. The Retirement System Investment Commission, created by the General Assembly in 2005, has exclusive authority to invest and manage the retirement trust funds' assets. The Commission, an eight-member board, serves as co-trustee and co-fiduciary for the assets of the retirement trust funds. By law, the State Fiscal Accountability Authority ("SFAA"), which consists of five elected officials, also reviews certain PEBA Board decisions regarding the actuary of the Systems.

For purposes of measuring the net pension liability, deferred outflows and inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Systems and additions to/deductions from the Systems fiduciary net position have been determined on the accrual basis of accounting as they are reported by the Systems in accordance with GAAP. For this purpose, revenues are recognized when earned and expenses are recognized when incurred. Benefit and refund expenses are recognized when due and payable in accordance with the terms of the plan. Investments are reported at fair value.

PEBA issues an Annual Comprehensive Financial Report ("ACFR") containing financial statements and required supplementary information for the Systems' Pension Trust Funds. The ACFR is publicly available through PEBA's website at www.peba.sc.gov, or a copy may be obtained by submitting a request to PEBA, 202 Arbor Lake Drive, Columbia, SC 29223. PEBA is considered a division of the primary government of the state of South Carolina and therefore, retirement trust fund financial information is also included in the ACFR of the state.

Plan Descriptions – The South Carolina Retirement System ("SCRS"), a cost-sharing multiple-employer defined benefit pension plan, was established July 1, 1945, pursuant to the provisions of Section 9-1-20 of the South Carolina Code of Laws for the purpose of providing retirement and other benefits for teachers and employees of the state and its political subdivisions. SCRS covers employees of state agencies, public school districts and participating charter schools, public higher education institutions, other participating local subdivisions of government and first-term individuals elected to the South Carolina General Assembly.

The State Optional Retirement Program ("State ORP") is a defined contribution plan that is offered as an alternative to SCRS to newly hired state, public higher education institution and public school district employees, as well as first-term individuals elected to the South Carolina General Assembly. State ORP participants direct the investment of their funds into an account administered by one of four third party service providers.

IV. OTHER NOTES, Continued

A. Employee Retirement Systems and Pension Plans, Continued

Plan Membership – Membership requirements are prescribed in Title 9 of the South Carolina Code of Laws. A brief summary of the requirements under each system is presented below:

SCRS – Generally, all employees of covered employers are required to participate in and contribute to the system as a condition of employment. This plan covers general employees and teachers and first-term individuals elected to the South Carolina General Assembly. An employee member of the system with an effective date of membership prior to July 1, 2012, is a Class Two member. An employee member of the system with an effective date of membership on or after July 1, 2012, is a Class Three member.

State ORP – As an alternative to membership in SCRS, newly hired state, public higher education institution and public school district employees, as well as first-term individuals elected to the South Carolina General Assembly have the option to participate in the State ORP. Contributions to the State ORP are at the same rates as SCRS. A direct remittance is required from the employer to the member's account with the ORP service provider for the employee contribution and a portion of the employer contribution (5%). A direct remittance is also required to SCRS for the remaining portion of the employer contribution and an incidental death benefit contribution, if applicable, which is retained by SCRS.

Plan Benefits – Benefit terms are prescribed in Title 9 of the South Carolina Code of Laws. PEBA does not have the authority to establish or amend benefit terms without a legislative change in the code of laws. Key elements of the benefit calculation include the benefit multiplier, years of service, and average final compensation/current annual salary. A brief summary of benefit terms for each system is presented below:

SCRS – A Class Two member who has separated from service with at least five or more years of earned service is eligible for a monthly pension at age 65 or with 28 years credited service regardless of age. A member may elect early retirement with reduced pension benefits payable at age 55 with 25 years of service credit. A Class Three member who has separated from service with at least eight or more years of earned service is eligible for a monthly pension upon satisfying the Rule of 90 requirement that the total of the member's age and the member's creditable service equals at least 90 years. Both Class Two and Class Three members are eligible to receive a reduced deferred annuity at age 60 if they satisfy the five- or eight-year earned service requirement, respectively. An incidental death benefit is also available to beneficiaries of active and retired members of employers who participate in the death benefit program.

The annual retirement allowance of eligible retirees or their surviving annuitants is increased by the lesser of 1% or $500 every July 1. Only those annuitants in receipt of a benefit on July 1 of the preceding year are eligible to receive the increase. Members who retire under the early retirement provisions at age 55 with 25 years of service are not eligible for the benefit adjustment until the second July 1 after reaching age 60 or the second July 1 after the date they would have had 28 years of service credit had they not retired.

IV. OTHER NOTES, Continued

A. Employee Retirement Systems and Pension Plans, Continued

Funding Policy – Actuarial valuations are performed annually by an external consulting actuary to ensure applicable contribution rates satisfy the funding parameters specified in Title 9 of the South Carolina Code of Laws. Under these provisions, SCRS contribution requirements must be sufficient to maintain an amortization period for the financing of the unfunded actuarial accrued liability ("UAAL") over a period that does not exceed the number of years scheduled in state statute. The Retirement Funding and Administration Act of 2017 increased, but also established a ceiling for SCRS employee contribution rates. Effective July 1, 2017, employee rates were increased to a capped rate of 9.00% for SCRS. The legislation also increased employer contribution rates beginning July 1, 2017, for SCRS by two percentage points and further scheduled employer contribution rates to increase by a minimum of one percentage point each year in accordance with state statute. However, the General Assembly postponed the one percent increase in the SCRS employer contribution rates that was scheduled to go into effect beginning July 1, 2020. In accordance with the legislative funding schedule, employer contribution rates will continue to increase by 1 percentage point each year until reaching 18.56% for SCRS but may be increased further, if the scheduled contributions are not sufficient to meet the funding periods set for the applicable year. The PEBA Board shall increase the employer contribution rates as necessary to meet the amortization period set in statute.

Pension reform legislation modified statute such that the employer contribution rates for SCRS to be further increased, not to exceed one-half of one percent in any one year if necessary, in order to improve the funding of the plans. The statute set rates intended to reduce the unfunded liability of SCRS to the maximum amortization period of 20 years from 30 years over a ten-year schedule, as determined by the annual actuarial valuations of the plan. Finally, under the revised statute, the contribution rates for SCRS may not be decreased until the plans are at least 85 percent funded.

As noted previously, both employees and the Authority are required to contribute to the plans at rates established and as amended by the PEBA. The Authority's contributions are actuarially determined but are communicated to and paid by the Authority as a percentage of the employees' annual eligible compensation.

Contribution Summary – Required employer and employee contribution rates for the past three years are as follows:

	SCRS and State ORP Rates		
	2023	**2022**	**2021**
Employer Contribution Rate:^			
Retirement*	17.41%	16.41%	15.41%
Incidental Death Benefit	0.15%	0.15%	0.15%
	17.56%	16.56%	15.56%
Employee Contribution Rate	9.00%	9.00%	9.00%

^ Calculated on earnable compensation as defined in Title 9 of the South Carolina Code of Laws.

* Of the rate for the State ORP Plan, 5% of earnable compensation must be remitted by the employer directly to t
service provider to be allocated to the member's account with the remainder of the employer contribution remitte

IV. OTHER NOTES, Continued

A. Employee Retirement Systems and Pension Plans, Continued

Contribution Summary, continued

The required contributions and percentages of amounts contributed by the Authority to the plans for the past three years were as follows:

Year Ended June 30,	SCRS Contributions Required	% Contributed
2023	$ 236,587	100%
2022	215,706	100%
2021	175,888	100%

Eligible payrolls of the Authority covered under the plans for the past three years were as follows:

Year Ended June 30,	SCRS Payroll	Total Payroll
2023	$ 1,347,304	$ 1,347,304
2022	1,302,571	1,302,571
2021	1,130,384	1,130,384

Actuarial Assumptions – Actuarial valuations of the ongoing plan involve estimates of the reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and future salary increases. Amounts determined regarding the net pension liability are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. South Carolina state statute requires that an actuarial experience study be completed at least once in each five-year period. An experience report on the Systems was most recently issued for the period ending June 30, 2019.

The June 30, 2022, total pension liability, net pension liability, and sensitivity information shown in this report were determined by the consulting actuary, Gabriel, Roeder, Smith and Company ("GRS") and are based on an actuarial valuation performed as of July 1, 2021. The total pension liability was rolled-forward from the valuation date to the plans' fiscal year end, June 30, 2022, using generally accepted actuarial principles. There was no legislation enacted during the 2022 legislative session that had a material change in the benefit provisions for any of the systems.

The following table provides a summary of the actuarial assumptions and methods used to calculate the total pension liability as of June 30, 2022:

	SCRS
Actuarial Cost Method	Entry age normal
Actuarial assumptions:	
Investment rate of return*	7.00%
Projected salary increases*	3.0% to 11.0% (varies by service)
Benefit adjustments	lesser of 1% or $500 annually

*Includes inflation at 2.25%

IV. OTHER NOTES, Continued

A. Employee Retirement Systems and Pension Plans, Continued

Actuarial Assumptions, continued

The post-retiree mortality assumption is dependent upon the member's job category and gender. The base mortality assumptions, the 2020 Public Retirees of South Carolina Mortality table ("2020 PRSC"), was developed using the Systems' mortality experience. These base rates are adjusted for future improvement in mortality using 80% of Scale UMP projected from the year 2020.

Assumptions used in the determination of the June 30, 2022, total pension liability are as follows:

Former Job Class	Males	Females
Educators	2020 PRSC Males multiplied by 95%	2020 PRSC Females multiplied by 94%
General Employees and Members of the General Assembly	2020 PRSC Males multiplied by 97%	2020 PRSC Females multiplied by 107%

Long-Term Expected Rate of Return – The long-term expected rate of return on pension plan investments is based upon 20-year capital market assumptions. The long-term expected rate of return represents assumptions developed using an arithmetic building block approach primarily based on consensus expectations and market-based inputs. Expected returns are net of investments fees.

The expected returns, along with the expected inflation rate, form the basis for the target asset allocation adopted at the beginning of the 2022 fiscal year. The long-term expected rate of return is produced by weighting the expected future real rates of return by the target allocation percentage and adding expected inflation and is summarized in the following table. For actuarial purposes, the 7.00% assumed annual investment rate of return used in the calculation of the total pension liability includes a 4.75% real rate of return and a 2.25% inflation component.

Allocation / Exposure	Policy Target	Expected Arithmetic Real Rate of Return	Long Term Expected Portfolio Real Rate of Return
Public Equity	46.0%	6.79%	3.12%
Bonds	26.0%	-0.35%	-0.09%
Private Equity	9.0%	8.75%	0.79%
Private Debt	7.0%	6.00%	0.42%
Real Assets:			
Real Estate	9.0%	4.12%	0.37%
Infrastructure	3.0%	5.88%	0.18%
Total Expected Return	100.0%		4.79%
Inflation for Actuarial Purposes			2.25%
Total Expected Nominal Return			7.04%

IV. OTHER NOTES, Continued

A. Employee Retirement Systems and Pension Plans, Continued

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions – The net pension liability ("NPL") is calculated separately for each system and represents that particular system's total pension liability ("TPL") determined in accordance with GASB No. 67 less that system's fiduciary net position. NPL totals, as of June 30, 2022, for SCRS are presented below:

System	Total Pension Liability	Plan Fiduciary Net Position	Employers' Net Pension Liability (Asset)	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
SCRS	$ 56,454,779,872	$ 32,212,626,932	$ 24,242,152,940	57.1%

The TPL is calculated by the Systems' actuary, and each plan's fiduciary net position is reported in the Systems' financial statements. The NPL is disclosed in accordance with the requirement of GASB No. 67 in the Systems' notes to the financial statements and required supplementary information. Liability calculations performed by the Systems' actuary for the purpose of satisfying the requirements of GASB Nos. 67 and 68 are not applicable for other purposes, such as determining the plans' funding requirements.

At June 30, 2023, the Authority reported a liability of $2,651,834 for its proportionate share of the PEBA's NPL. The NPL was measured as of June 30, 2022, and the TPL used to calculate the NPL was determined based on the most recent actuarial valuation report as of July 1, 2021, that was projected forward to the measurement date. The Authority's proportion of the NPL was based on a projection of the Authority's long-term share of contributions to the plans relative to the projected contributions of all participating South Carolina state and local governmental employers, actuarially determined. At the June 30, 2022 measurement date, the Authority's proportion was 0.010939%, which was an increase of 0.000939% from its proportion measured as of June 30, 2021.

For the year ended June 30, 2023, the Authority recognized pension expense of $409,041 for its proportionate share of the PEBA's pension expense. At June 30, 2023, the Authority reported its proportionate share of the PEBA's deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between expected and actual experience	$ 23,039	$ 11,557
Assumption changes	85,051	-
Net difference between projected and actual earnings on pension plan investments	390,122	386,032
Changes in proportionate share and differences between employer contributions and proportionate share of total plan employer contributions	328,609	-
Authority contributions subsequent to the measurement date	236,587	-
	$ 1,063,408	$ 397,589

IV. OTHER NOTES, Continued

A. Employee Retirement Systems and Pension Plans, Continued

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions, continued

$236,587 reported as deferred outflows of resources related to pensions resulting from Authority contributions to the PEBA subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2024. Other amounts reported as deferred outflows and inflows of resources related to the PEBA will be recognized in pension expense as follows:

Year Ended June 30		Deferred Outflows (Inflows) of Resources
2024	$	219,469
2025		158,850
2026		(18,246)
2027		69,159
	$	429,232

Discount Rate – The discount rate used to measure the TPL was 7.00%. The projection of cash flows used to determine the discount rate assumed that contributions from participating employers in SCRS will be made based on the actuarially determined rates based on provisions in the South Carolina Code of Laws. Based on those assumptions, the system's fiduciary net position was projected to be available to make all the projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the TPL.

Pension Liability Sensitivity – The following table presents the Authority's proportionate share of the NPL, calculated using the discount rate disclosed in the preceding paragraph, as well as what the Authority's proportionate share of the NPL would be if it were calculated using a discount rate 1 percentage point lower or 1 percentage point higher than the current discount rate:

Asset Class	1% Decrease (6.00%)	Discount Rate (7.00%)	1% Increase (8.00%)
Authority's proportionate share of the Net Pension Liability:	$ 2,834,677	$ 2,164,081	$ 1,606,678

Pension Plan Fiduciary Net Position – Detailed information regarding the fiduciary net position of the plans administered by PEBA is available in the separately issued ACFR containing financial statements and required supplementary information for the SCRS. The ACFR is publicly available through the PEBA's website at www.peba.sc.gov, or a copy may be obtained by submitting a request to PEBA, 202 Arbor Lake Drive, Columbia, SC 29923.

IV. OTHER NOTES, Continued

B. Postemployment Benefits

The Authority provides death benefits to employees through the incidental death benefit option for members of the SCRS. The beneficiaries of those employees who die in active service after one year of credited service are eligible for death benefits. Lump sum death benefit payments to beneficiaries are equal to the budgeted salary of the deceased member. The Authority has no liability beyond the payment of monthly contributions. Contributions are determined as a percentage of monthly covered payrolls. The Authority does not determine the number of eligible participants. For the year ended June 30, 2023, the Authority made contributions to the State for death benefits representing 0.15% of covered payroll.

Upon death of a retiree, a benefit will be paid to the designated beneficiary of an amount based on years of credit services as follows:

10 to 19 years of service credits	$2,000
20 to 27 years of service credits	4,000
28 or more years of service credits	6,000

C. Economic Dependency

Greenville County Redevelopment Authority's revenues are derived primarily from various federal, state, and local governmental agencies.

D. Self-Insurance Fund

The Authority participates in the self-insurance fund of Greenville County for health insurance. The health insurance program provides medical and dental coverage to full-time employees who can select from these medical plans: Blue Cross Premium Plan, Blue Cross Plus Plan, or Blue Cross Standard Plan.

Revenues and expenditures for the self-insured plan are accounted for in the enterprise fund of Greenville County. The basis for estimating claims not reported at year-end is twice the monthly average paid in claims. The self-insurance fund collects a monthly premium for the Authority and pays claim settlements. Premiums for employees are based on maximum claim level activity and all other premiums in the fund are based on the historical claim level as provided by the actuarial estimate by the reinsurer. Medical claims exceeding $250,000 per insured are covered through a private insurance carrier.

The County has contracted with a professional firm to administer its workers compensation fund. The Authority also participates in South Carolina Insurance Reserve for its general liability insurance.

IV. OTHER NOTES, Continued

E. Contingencies

Greenville County Redevelopment Authority must apply for renewals of contracts and grants. Funding is subject to both increases and reductions at the discretion of the contractors and some agreements call for termination by either party contingent upon certain conditions. Entitlement to grant resources is generally conditioned upon compliance with terms and conditions of the grant agreements and applicable federal regulations, including the expenditure of the resources for eligible purposes. Expenditures recorded under various contracts and grants are subject to further examination in the form of financial and compliance audits by the contractors, with reimbursements being requested for questioned costs. The Authority anticipates that no material liabilities will result from any compliance or financial audits.

F. Commitments

The Authority is committed under various construction contracts for the completion of various ongoing projects in the amount of $1,163,953 as of June 30, 2023.

G. Related Party Transactions

The Authority is a component unit of Greenville County, South Carolina ("the County"). In January 2019, the Authority entered into a funding agreement with the County whereby the County shall provide to the Authority the sum of $1,000,000 annually for a period of five years or a total of $5,000,000. The funds are for the Authority's use in its efforts to provide affordable housing for the citizens of Greenville County. For the year ended June 30, 2023, the Authority received a total of $1,000,000.

H. Other

In December 2019, an outbreak of novel coronavirus ("COVID-19") originated in China and spread to other countries, including the U.S. In March 2020, the World Health Organization characterized COVID-19 as a pandemic. In response to the pandemic, Congress passed the Corona Aid, Relief, and Economic Security Act ("the CARES Act"), which, among other provisions, provided additional funding for several of the Authority's primary programs, including CDBG and Emergency Shelter programs. The Authority has determined eligibility for participation in this additional funding, made application, and has been awarded additional funding under these programs. Management anticipates opportunities for further funding under the CARES Act and new legislation.

I. Revenue Recognition

The Authority follows the provisions of the *Revenue from Contracts with Customers* topic of FASB ASC. The core principle of this guidance is that an entity should recognize revenue when it transfers promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services by applying five steps listed in the guidance. The Authority's main revenue streams accounted for as exchange transactions derive from home sales.

The Authority generates revenue through the sales of homes to program participants and financing the sale through mortgage agreements. The Authority has identified two performance obligations associated with the sale of homes: 1) to transfer the title of the home to the homeowner, and 2) to finance the purchase price of the home. The transaction price for the property is identified and stated on the closing agreement and is consistent with the gross amount of revenue recorded at the time of an executed closing agreement. With respect to home sales, the Authority is the principal in the arrangement as the Authority maintains control of the property up until the time at which the property is sold to the homeowner.

IV. OTHER NOTES, Continued

I. Revenue Recognition, Continued

Revenue allocated to the first performance obligation is recorded at the point in time when control of the property transfers. This is the point in time at which the Authority has satisfied its first performance obligation to transfer control of the property to the homeowner as evidenced by an executed closing statement. Revenue allocated to the second performance obligation is recognized over the mortgage term as payments are collected. Contract liabilities related mainly to homeowner deposits in escrow. Management has concluded that no impact to revenue recognition has resulted from the adoption of this ASC as it related to home sales.

The Authority also recognizes revenue through both unconditional and conditional contributions and grants. Unconditional contributions are recognized when received, while a conditional contribution is recognized upon satisfaction of the donor's condition or when the grant funds have been expended in accordance with the provisions of the respective agreements. Management has determined that contributions and grants are non-reciprocal transactions and, therefore, fall under the scope of the *Contributions Received* topic of ASC.

The Authority's other revenue streams include interest income, rent income, late-fee income, and other income which are not included within the scope of this ASC.

The Authority has disaggregated revenue into various categories in the accompanying Statement of Activities, which is intended to depict how the nature, amount, timing and uncertainty of revenue and cash flows are affected by economic date.

Contract assets would include loans receivable from homeowners and funds held in escrow on the accompanying Statement of Net Position. Loans receivable from homeowners are recorded at the time revenue is recognized, while cash collections occur after revenue recognition. Generally, billing and cash collections associated with funds held in escrow occur before revenue recognition. These funds are liquidated when revenue is recognized. Contract balances are as follows as of June 30, 2023:

Loans receivable	$ 8,709,208
	$ 8,709,208
Funds held in escrow	$ 48,284
	$ 48,284

J. Subsequent Events

In preparing these financial statements, the Authority has evaluated events and transactions for potential recognition or disclosure through August 17, 2023, the date the financial statements were available to be issued. There were no such events requiring recording or disclosure for the year ended June 30, 2023.

Schedule 1

GREENVILLE COUNTY REDEVELOPMENT AUTHORITY
(A Component Unit of Greenville County)
Schedule of the Proportionate Share of the Net Pension Liability
June 30, 2023

Year	Authority's proportion of the net pension liability	Authority's proportionate share of the net pension liability	Authority's covered-employee payroll	Authority's proportionate share of the net pension liability as a percentage of the covered-employee payroll	Plan fiduciary net position as a percentage of the total pension liability
2023	0.010939%	$ 2,651,834	$ 1,302,571	203.58%	57.10%
2022	0.010000%	$ 2,164,081	$ 1,130,384	191.45%	60.70%
2021	0.008795%	$ 2,247,355	$ 981,235	229.03%	50.70%
2020	0.008257%	$ 1,885,373	$ 869,823	216.75%	54.40%
2019	0.008000%	$ 1,724,011	$ 799,553	215.62%	54.10%
2018	0.009000%	$ 1,923,392	$ 863,778	222.67%	53.30%
2017	0.011000%	$ 2,309,427	$ 791,918	291.62%	52.90%
2016	0.006000%	$ 1,180,981	$ 841,869	140.28%	57.00%
2015	0.008000%	$ 1,454,466	$ 852,372	170.64%	59.90%

Note to Schedule:

The amounts presented for each fiscal year were determined as of June 30th of the preceding year (measurement date).

Schedule 2

GREENVILLE COUNTY REDEVELOPMENT AUTHORITY
(A Component Unit of Greenville County)
Schedule of Authority Contributions - Pension Plan
June 30, 2023

Year	Contractually required contributions	Contributions in relation to the contractually required contributions	Contribution deficiency (excess)	Authority's covered-employee payroll	Contributions as percentage of covered-employee payroll
2023	$ 236,587	$ 236,587	$ -0-	$ 1,347,304	17.56%
2022	$ 215,706	$ 215,706	$ -0-	$ 1,302,571	16.56%
2021	$ 175,888	$ 175,888	$ -0-	$ 1,130,384	15.56%
2020	$ 152,752	$ 152,752	$ -0-	$ 981,235	15.57%
2019	$ 125,342	$ 125,342	$ -0-	$ 869,823	14.41%
2018	$ 107,220	$ 107,220	$ -0-	$ 799,553	13.41%
2017	$ 98,557	$ 98,557	$ -0-	$ 863,778	11.41%
2016	$ 86,319	$ 86,319	$ -0-	$ 791,918	10.90%
2015	$ 90,207	$ 90,207	$ -0-	$ 841,869	10.72%

Schedule 3

GREENVILLE COUNTY REDEVELOPMENT AUTHORITY
(A Component Unit of Greenville County)
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget to Actual
Governmental Funds
For the Year Ended June 30, 2023

	Original	Final	Actual Amounts	Variance with Final Budget
REVENUES				
Federal grants	$ 13,046,819	$ 13,277,455	$ 5,622,917	$ (7,654,538)
Loan repayment	477,288	1,000,611	219,185	(781,426)
Sale of property	1,393,550	1,903,655	1,903,655	-
Rental income	594,219	673,989	673,989	-
Unrestricted income	14,183,866	6,947,528	1,049,750	(5,897,778)
Miscellaneous	6,216,572	8,056,907	8,483	(8,048,424)
Total revenues	35,912,314	31,860,145	9,477,979	(22,382,166)
EXPENDITURES				
Housing services:				
Delivery of services	3,306,135	3,393,634	670,817	2,722,817
Acquisition	-	35,318	67,655	(32,337)
Disposition	54,772	209,862	138,095	71,767
Property maintenance	186,527	242,216	242,216	-
Demolition	257,351	162,582	49,905	112,677
Rehabilitation	357,825	274,879	143,152	131,727
New construction	3,304,885	3,500,006	352,872	3,147,134
Home repair program	204,729	669,209	434,060	235,149
Facade improvements	147,713	70,000	5,000	65,000
Economic development	184,485	200,075	52	200,023
Infrastructure/public works	3,191,812	3,430,771	2,519,335	911,436
Developer/housing partner	4,204,487	6,122,358	411,280	5,711,078
Public service subrecipients	379,111	369,693	359,872	9,821
Special projects	9,389,089	1,576,645	-	1,576,645
Community housing development organization	719,863	720,587	-	720,587
Housing assistance	334,090	306,889	304,838	2,051
Shelter, outreach, and Covid-19 assistance	4,321,171	4,499,271	661,713	3,837,558
Administration and planning	4,182,847	4,780,195	1,639,174	3,141,021
Operating and capital reserves	591,422	503,157	-	503,157
Debt service	594,000	792,798	237,661	555,137
Total expenditures	35,912,314	31,860,145	8,237,697	23,622,448
Excess of revenues over expenditures	-	-	1,240,282	1,240,282
NET CHANGE IN FUND BALANCES	$ -0-	$ -0-	1,240,282	$ 1,240,282
FUND BALANCE, beginning of year			26,792,744	
FUND BALANCE, end of year			$ 28,033,026	

GREENVILLE COUNTY REDEVELOPMENT AUTHORITY
(A Component Unit of Greenville County)
Schedule of Findings and Questioned Costs
For Fiscal Year Ended June 30, 2023

Section I - Summary of Auditors' Results

Financial Statements

Type of auditors' report issued:	Unmodified	
Internal control over financial reporting:		
• Material weakness(es) identified?	________ Yes	X No
• Significant weakness(es) identified that are not considered to be material weakness(es)?	________ Yes	X No
Noncompliance material to financial statements noted?	________ Yes,	X No

Federal Awards

Internal control over major programs:		
• Material weakness(es) identified?	________ Yes	X No
• Significant weakness(es) identified that are not considered to be material weakness(es)?	________ Yes	X No
Type of auditors' report issued on compliance for major programs:	Unmodified	
Any audit findings disclosed that required to be reported in accordance with section 2CFR 200.516(a) (Uniform Guidance)?	______ Yes	X No

Identification of major federal programs:

AL Numbers	Name of Federal Program or Cluster
14.218	CDBG/Entitlement Grants
14.218	COVID-19 – CDBG/Entitlement Grants

Dollar threshold used to distinguish between type A and type B programs:	$750,000	
Auditee qualified as low-risk auditee?	________ Yes	X No

GREENVILLE COUNTY REDEVELOPMENT AUTHORITY
(A Component Unit of Greenville County)
Schedule of Findings and Questioned Costs
For Fiscal Year Ended June 30, 2023

Section II - Financial Statement Findings

None.

Section III - Federal Award Findings and Questioned Costs

None.

GREENVILLE COUNTY REDEVELOPMENT AUTHORITY
(A Component Unit of Greenville County)
Schedule of Prior Year Findings
For Fiscal Year Ended June 30, 2023

Section I - Financial Statement Findings

None.

Section II - Federal Award Findings and Questioned Costs

2022-001 **Deadline Exceeded**

Condition: The Authority did not meet the deadline for submission of its data collection form and reporting package to the Federal Audit Clearinghouse for the fiscal year ended June 30, 2021. The data collection form and reporting package must be submitted within the earlier of 30 calendar days after receipt of the auditors' report or nine months after the end of the audit period. Therefore, the deadline for submission of the required information for the fiscal year ended June 30, 2021, was October 23, 2021. The data collection form and reporting package were not submitted by that date.

Criteria: 2 CFR 200.512

Cause: The Authority engaged its independent audit firm to assist in the preparation and submission of its data collection report and reporting package. During the period after completion of the audit and preparation of the auditors' report, the audit firm faced significant challenges dealing with heightened workloads. Therefore, the audit firm did not complete the data collection form and reporting package and submit it on a timely basis.

Effect: The Authority did not meet the deadline of 30 calendar days after receipt of the auditors' report.

Recommendation: Establish procedures to verify that the data collection form and reporting package have been properly submitted on a timely basis.

Status: The Authority implemented procedures to monitor communications with its audit firm and the Federal Audit Clearinghouse to ensure timely submission of complete and accurate reports to federal entities. All such submissions have been completed on a timely basis for the fiscal year ended June 30, 2022. This comment is not repeated in the current year.

GREENVILLE COUNTY REDEVELOPMENT AUTHORITY
(A Component Unit of Greenville County)
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2023

Federal Grantor/ Program or Cluster Title	Federal ALN Number	Grantor Number	Passed Through to Subreceipts	Total Federal Expenditures
Direct programs:				
CDBG--Entitlement Grants Cluster				
Community Development Block Grants/ Entitlement Grants	14.218	B22-UC-45-0001	$ 501,317	$ 5,017,492
COVID-19 - Community Development Block Grants/Entitlement Grants	14.218	B20-UW-45-0001	578,987	713,350
Total CDBG--Entitlement Grants Cluster				5,730,842
Emergency Solutions Grant Program	14.231	E22-UC-45-0001	243,085	260,561
COVID-19 - Emergency Solutions Grant Program	14.231	E20-UW-45-0001	144,391	144,391
HOME Investment Partnerships Program	14.239	M22-UC-45-0205	241,622	1,082,743
Total U.S. Department of Housing and Urban Development			1,709,402	7,218,537
			$ 1,709,402	$ 7,218,537

See accompanying note to Schedule of Expenditures of Federal Awards

GREENVILLE COUNTY REDEVELOPMENT AUTHORITY
(A Component Unit of Greenville County)
Notes to the Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2023

1) Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards includes the federal award activity of the Authority under programs of the federal government for the year ended June 30, 2023. The information in this schedule is presented in accordance with the requirements of *Title 2* U.S. Code of Federal Regulations *Part 200,* Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards ("Uniform Guidance"). Because the schedule presents only a selected portion of the operations of the Authority, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the Authority.

2) Summary of Significant Accounting Policies

The accompanying Schedule of Expenditures of Federal Awards is presented such that expenditures are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, whereby certain types of expenditures are not allowable or are limited as to reimbursement.

3) Relationship to Federal Financial Reports

Amounts reported in the accompanying schedule agree with the amounts reported in the related federal financial reports except for timing differences relating to revenues and expenditures received or made subsequent to the filing of federal financial reports.

4) Indirect Cost Rate

The Authority has elected not to use the 10% de minimus cost rate allowed under the Uniform Guidance.

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

Board of Directors
Greenville County Redevelopment Authority
Greenville, South Carolina

We have audited the financial statements of the governmental activities and the major fund of the Greenville County Redevelopment Authority ("the Authority") as of and for the year ended June 30, 2023, and issued our report thereon dated August 17, 2023. 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 Authority's internal control over financial reporting in order to determine 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 Authority's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of internal control over financial reporting.

A deficiency in 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 combination of deficiencies, in internal controls, such that there is a reasonable possibility that a material misstatement of the financial statements will not be prevented, or detected and corrected, on a timely basis. A significant deficiency is a deficiency, or a 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.

Our consideration of the internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Authority's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, 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 that are required to be reported under Government Auditing Standards.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or compliance. This report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Martin Smith and Company CPAs PA

Greenville, South Carolina
August 17, 2023

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY UNIFORM GUIDANCE

Board of Directors
Greenville County Redevelopment Authority
Greenville, South Carolina

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the compliance of Greenville County Redevelopment Authority ("the Authority") (a nonprofit organization) with the types of compliance requirements described in the U.S. Office of Management and Budget Compliance Supplement that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2023. The Authority's major federal programs are identified in the Summary of Auditors' Results Section of the accompanying Schedule of Findings and Questioned Costs.

In our opinion, Greenville County Redevelopment Authority complied, in all material respects, with the requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2023.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America ("GAAS"); the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 *U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance"). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Authority and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the Authority's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the Authority's federal programs.

Auditors' Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Authority's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists.

Auditors' Responsibilities for the Audit of Compliance (continued)

The risk of not detecting material noncompliance resulting from fraud is higher than that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Authority's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Authority's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- obtain an understanding of the Authority's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance

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 and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a 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.

Our consideration of internal control over compliance was for the limited purpose described in the Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Martin Smith and Company CPAs PA

Greenville, South Carolina
August 17, 2023