



## **CITY OF WALTERBORO SOUTH CAROLINA**

**REPORT OF INDEPENDENT CERTIFIED PUBLIC  
ACCOUNTANTS IN ACCORDANCE WITH THE UNIFORM  
GUIDANCE AND GOVERNMENT AUDITING STANDARDS  
FOR THE FISCAL YEAR ENDED  
JUNE 30, 2025**

**City of Walterboro, South Carolina  
Single Audit Report  
For the Fiscal Year Ended June 30, 2025**

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

To the Mayor and City Council  
City of Walterboro, South Carolina

We have audited, in accordance with the 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, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of City of Walterboro, South Carolina, as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise City of Walterboro, South Carolina's basic financial statements, and have issued our report thereon dated November 15, 2025.

**Report on Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered City of Walterboro, South Carolina's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purposes of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of City of Walterboro, South Carolina's internal control. Accordingly, we do not express an opinion on the effectiveness of City of Walterboro, South Carolina's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or to detect and correct, misstatements, on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. 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 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 or significant deficiencies may exist that were not identified.

### **Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether City of Walterboro, South Carolina's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### **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 on 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.

*Baird Audit Group, LLC*

The Baird Audit Group, LLC  
Certified Public Accountants

Augusta, GA  
November 15, 2025

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

Mayor and City Council  
City of Walterboro, South Carolina

**Report on Compliance for Each Major Federal Program**

*Opinion on Each Major Federal Program*

We have audited City of Walterboro, South Carolina's compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of City of Walterboro, South Carolina's major federal programs for the year ended June 30, 2025. City of Walterboro, South Carolina'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, City of Walterboro, South Carolina complied, in all material respects, with the types of compliance 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, 2025.

*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, 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 City of Walterboro, South Carolina 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 City of Walterboro, South Carolina'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 City of Walterboro, South Carolina'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 City of Walterboro, South Carolina'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 generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for 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 City of Walterboro, South Carolina's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *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 City of Walterboro, South Carolina'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 City of Walterboro, South Carolina'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 City of Walterboro, South Carolina'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.

*Other Matters*

The results of our auditing procedures disclosed no instances of noncompliance which are required to be reported in accordance with the Uniform Guidance.

*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 a 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.

*Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance*

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of City of Walterboro, South Carolina, as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise City Walterboro, South Carolina's basic financial statements. We issued our report thereon dated November 15, 2025, which contained unmodified opinions on those financial statements. Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. 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 basic financial statements. The 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 basic financial statements or to the basic 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 basic financial statements as a whole.

*Baird Audit Group, LLC*

The Baird Audit Group, LLC  
Certified Public Accountants

Augusta, GA  
February 10, 2026, except for our report in the Schedule of Expenditures of Federal Awards, for which the date is November 15, 2025.

**CITY OF WALTERBORO, SOUTH CAROLINA**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**FOR YEAR ENDED JUNE 30, 2025**

Federal Grantor/Pass-Through Grantor/Program Title	Assistance Listing Number	Grant/ Contract Number	Pass-Through to Sub-Recipients	Total Federal Expenditures
<b>U.S. Department of Housing and Urban Development</b>				
Community Development Block Grant Cluster				
<i>Passed through the South Carolina Department of Commerce</i>				
Sewer Upgrade Sub-system 1 East and 3	14.228	4-Cl-21-015	\$ -	\$ 352,399
Gadsden Loop Water Project	14.228	4-Cl-22-013	- -	37,700
Total Community Development Block Grant Cluster	14.228		- -	390,099
<b>Total U.S. Department of Housing and Urban Development</b>			- -	390,099
<b>U.S. Department of Commerce</b>				
Investments for Public Works and Economic Development Facilities	11.300	04-79-07726	- -	9,396,583
			- -	9,396,583
<b>U. S. Department of Treasury</b>				
Coronavirus State and Local Fiscal Recovery Fund	21.027		- -	924,507
<b>Total U. S. Department of Treasury</b>			- -	924,507
<b>U.S. Department of Homeland Security</b>				
FEMA - Hazard Mitigation Grant	97.039	4464-0013-R	- -	997,016
<b>Total U.S. Department of Homeland Security</b>			- -	997,016
<b>Total Expenditures of Federal Awards</b>			\$ -	\$ 11,708,205
State Grantor	State Grant Number	Pass-Through Entity Identifying Number	Pass-Through to Sub-Recipients	Total State Expenditures
<b>SC Department of Public Safety</b>				
Body Worn Camera Grant Program	NA		\$ -	\$ 87,956
<b>SC Emergency Management</b>				
Tropical Storm Debby		FEMA-4835-DR-SC	- -	92,049
Hurricane Helene		FEMA-4829-DR-SC	- -	294,519
<b>Total Expenditures of State Awards</b>			\$ -	\$ 474,524

See accompanying notes to schedule of federal expenditures.

**CITY OF WALTERBORO, SOUTH CAROLINA**  
**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**FOR THE YEAR ENDED JUNE 30, 2025**

**NOTE 1 – BASIS OF PRESENTATION**

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of the City of Walterboro under programs of the federal government for the year ended June 30, 2025. The information in the 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 City, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the City.

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Expenditures reported on the Schedule are reported on the cash basis of accounting. Such expenditures are recognized following the cost principles contained in Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, wherein certain types of expenditures may or may not be allowable or may be limited as to reimbursement. The City has elected not to use the 10% de minimis indirect cost rate as allowed under the Uniform Guidance.

**CITY OF WALTERBORO, SOUTH CAROLINA**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**FOR THE YEAR ENDED JUNE 30, 2025**

I. Summary of Auditors' Results

- A. The auditors' report expresses an unmodified opinion on the financial statements of the City of Walterboro, South Carolina.
- B. Our audit of the financial statements disclosed no significant deficiencies or material weaknesses in internal control over financial reporting.
- C. No instances of noncompliance material to the financial statements of the City of Walterboro, South Carolina, which would be required to be reported in accordance with Government Auditing Standards were disclosed during the audit.
- D. No significant deficiencies in internal controls over major federal award programs were disclosed during the audit.
- E. The auditors' report on compliance for the major federal award programs of the City of Walterboro, South Carolina expresses an unmodified opinion on all major federal programs.
- F. Our audit disclosed no findings which relate to the federal awards which are required to be reported under Section 2 CFR Section 200.516(a).
- G. Major federal program for the City of Walterboro, South Carolina for the fiscal year ended June 30, 2025 was:

<u>Program Name</u>	<u>ALN</u>
Investments for Public Works and Economic Development Facilities	11.300

- H. The threshold for determining Type A programs for the City of Walterboro, South Carolina is \$750,000.
- I. The City of Walterboro, South Carolina does not qualify as a low-risk auditee.

II. Findings and Questioned Costs Related to the Audit of the Financial Statements of the City of Walterboro, South Carolina

There were no findings noted for the year ended June 30, 2025, which are required to be reported in accordance with *Government Auditing Standards*.

III. Findings and Questioned Costs Related to the Audit of Federal Awards of the City of Walterboro, South Carolina

There were no findings noted for the year ended June 30, 2025, which are required to be reported in accordance with 2 CFR Section 200.516(a).