

**CAPITAL PROJECTS
SALES TAX
COMPLIANCE AUDIT**

BAMBERG COUNTY

SOUTH CAROLINA



DEPARTMENT OF REVENUE

CONDUCTED BY:

South Carolina Department of Revenue

Initiated in April 2022

First Meeting with County Officials in May 2022



State of South Carolina
Department of Revenue
300A Outlet Pointe Blvd., Columbia, South Carolina 29210
P.O. Box 125, Columbia, South Carolina 29214

C-450 (Rev. 8/29/12) 6371

AUDIT APPOINTMENT
Re: Bamberg County
Capital Project Sales and Use Tax



Initial Letter

April 28, 2022

Mr. Joey R. Preston
Bamberg County Administrator
PO Box 149
Bamberg, SC 29003

Dear Mr. Preston,

The SC Department of Revenue has selected the Bamberg County one percent Capital Project Sales Tax records for a compliance audit. The audit will cover the 2012 Referendum period. The objective of the audit is to ensure public accountability and transparency regarding the collection and expenditures of the revenues generated by the tax.

We propose an initial meeting within the next 30 days with you and/or your assigned staff members to discuss the audit in more details. We will gladly come to your office (1234 North Street) at a date and time convenient for you and/or your staff.

In order for us to conduct this audit, the following information may need to be reviewed during the audit:

- All books and records pertaining to the Capital Projects Sales Tax Act Referendum, including but not limited to:
- County Board meeting minutes pertaining to this matter.
- Copy of the Procurement Policy as well as copies of any written policies and procedures relating to the Bamberg County Capital Project Sales Tax.
- List of approved projects, budgets, final cost and status of each.
- Capital Projects Sales Tax collections details and expenditures details.
- General Obligation Bond Issuance documents, and detailed accounting of the expenditures of all bond funds.
- Access to all County financial books and records.
- County's Audited Financial Statements/CAFRs.
- Records and documents may be requested in electronic format during the duration of the audit.

Our goal is to complete our audit in an efficient and timely manner. Please contact me at your earliest convenience for us to schedule a meeting date and time.

Thank you,

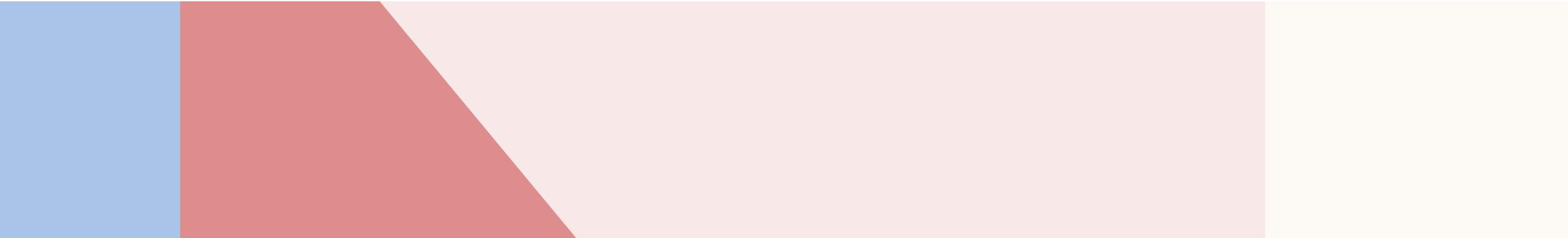
Nichole Webb, Compliance Auditor
Email: Nichole.Webb@dor.sc.gov
Phone: 803-898-5342

CC: Chairman Spencer Donaldson



The Capital Projects Sales Tax Act (SC Code Section 4-10-300) empowers counties to impose, pursuant to a referendum, a sales and use tax not to exceed 1% within its jurisdiction for a specific purpose or purposes and for a specific period of time. The revenue from the tax is to be used to pay for capital projects provided in the resolution and included in the referendum question directly, to service general obligation bond debt incurred by the county for such improvements, or a combination of these purposes.

In the 2012 General Election Bamberg County voters approved a referendum on the imposition of the 1% Sales and Use tax for a period of eight years beginning May 1, 2013 through June 30, 2021.



REFERENDUM NOV 6, 2012

Must a special one percent sales and use tax be imposed in Bamberg County for not more than eight (8) years to raise the revenues which will be applied to pay directly the cost of or to pay debt service on bonds issued to defray the cost of certain capital improvements set forth below for the County and shall the County be empowered to issue, either at one time as a single issue or from time to time as several separate issues, general obligation bonds of the County in the aggregate principal amount not to exceed \$4,405,727, to be repayable solely from the sales tax or other available sources, the proceeds of which shall be used to defray the costs of the capital improvement needs of the County, including specifically the following purposes:

Projects:

1. County - courthouse renovation and expansion for judicial and administrative need - \$3,541,423
2. Olar/Govan – Regional Water System - back up pump and chlorination - \$14,604
3. Olar - park shed - \$6,200
4. Olar - Community Building (Grey Den) – renovations \$37,000
5. Bamberg city - civic center renovations - \$589,000
6. Denmark city - Dane theatre renovations, including new roof - \$60,000
7. Ehrhardt – downtown beautification and former town hall restoration - \$60,000
8. Govan - park shed and park improvements - \$15,000
9. Bamberg EDC - veterans memorial construction- \$82,500

Yes _____

No _____

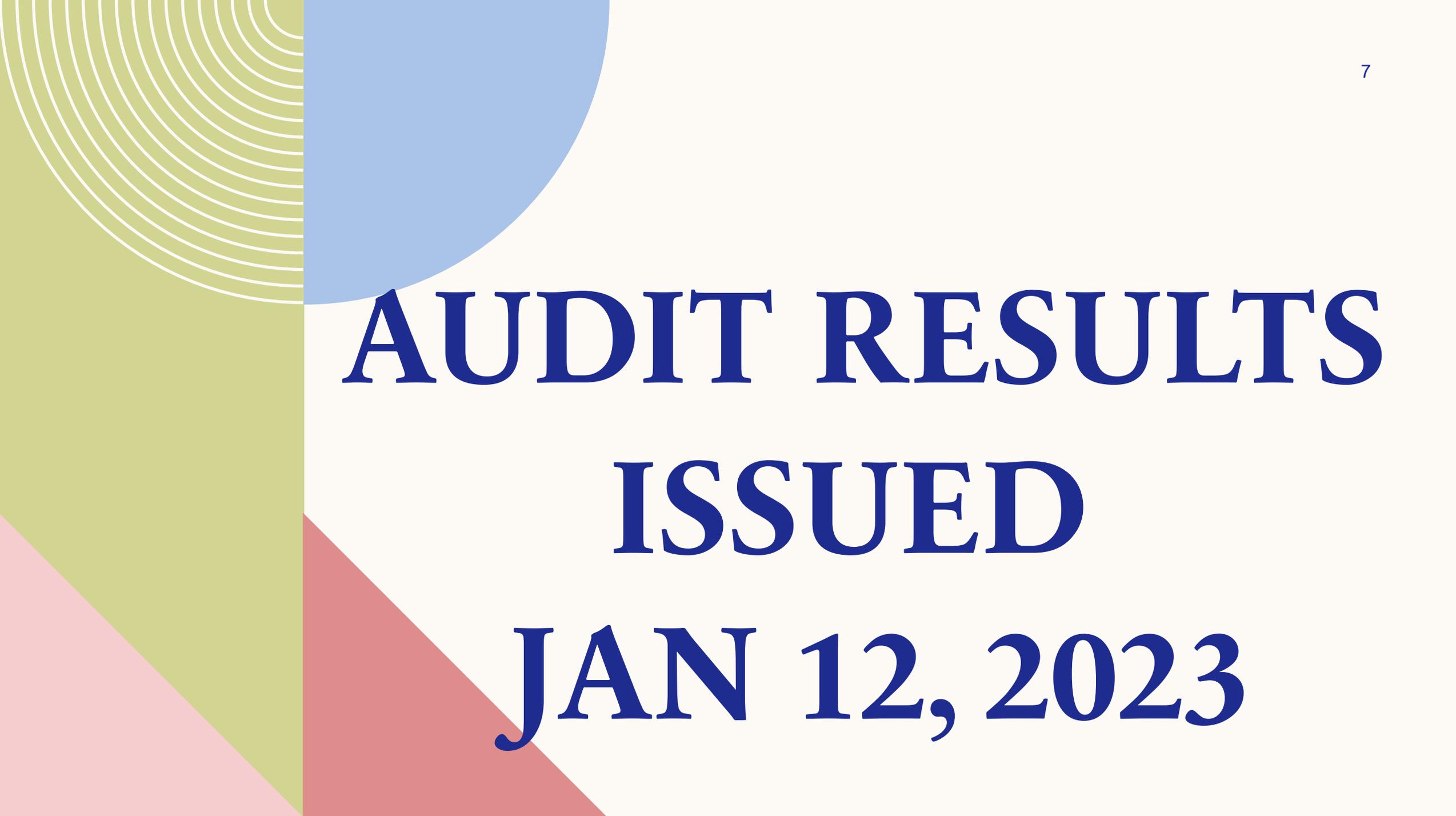
REFERENDUM RESULTS

Section 1. Declaration of Results. The question posed by the Referendum was answered in the affirmative, with 3884 “Yes” votes and 2423 “No” votes.

The Bamberg County Voter Registration and Election Commission hereby directs this Resolution be transmitted to the South Carolina Department of Revenue and the Bamberg County Council.

Done this 9th day of November, 2012.

BAMBERG COUNTY VOTER REGISTRATION AND ELECTION COMMISSION



**AUDIT RESULTS
ISSUED
JAN 12, 2023**

AUDIT TIMELINE

APRIL, MAY 2022

JUNE, JULY 2022

AUG, SEPT 2022

OCT, NOV, DEC
2022

JAN 2023

Initial letter advising of
audit

Initial Audit meetings
and initial request for
information

Initial rounds of
information provided
such as bank statements,
spreadsheet analyses,
audited financials

Ongoing series of
questions and responses,
additional information
requested and provided

Audit Report Issued

Bamberg County Capital Projects Sales Tax Audit

May 1, 2013 - June 30, 2020

I. INTRODUCTION

The South Carolina Department of Revenue (Department) conducted an audit of the Bamberg County Capital Projects Sales Tax. The Department has a duty to ensure public accountability and transparency regarding the expenditures of the Capital Projects Sales Tax revenue collected, by utilizing its authority as the administrator of the tax.

II. AUDIT OBJECTIVE & SCOPE

The purpose of this audit was to perform an independent and objective compliance audit of the Bamberg County Capital Projects Sales Tax. The audit scope included review of the expenditures and collection of the sales tax revenue for the period from May 1, 2013 to June 30, 2020.

AUDIT AREAS OF FOCUS

PENNY SALES TAX REVENUS

- The SCDOR compared their records of penny sales tax revenue, by quarter, to the County's records of the revenue.
- This covered the time period from when the penny sales tax went into effect, (May 1, 2013) to year ending June 30, 2020.
- Per the SCDOR Audit Report, no instances of non-compliance were noted.

EXPENDITURES ON THE PROJECTS

- The SCDOR asked for copies of invoices to support expenditures on the various projects. Initially they chose a sample of 154 invoices, a total of 226 pages.
- From there the County furnished copies of bank statements to verify the check amounts, as well as various internal spreadsheets that the County uses to maintain capital asset records and year-end reconciliations.
- The auditors would ask questions and for further information, as needed, to satisfy their audit scope/objectives.
- Per the SCDOR Audit Report, no instances of non-compliance were noted.

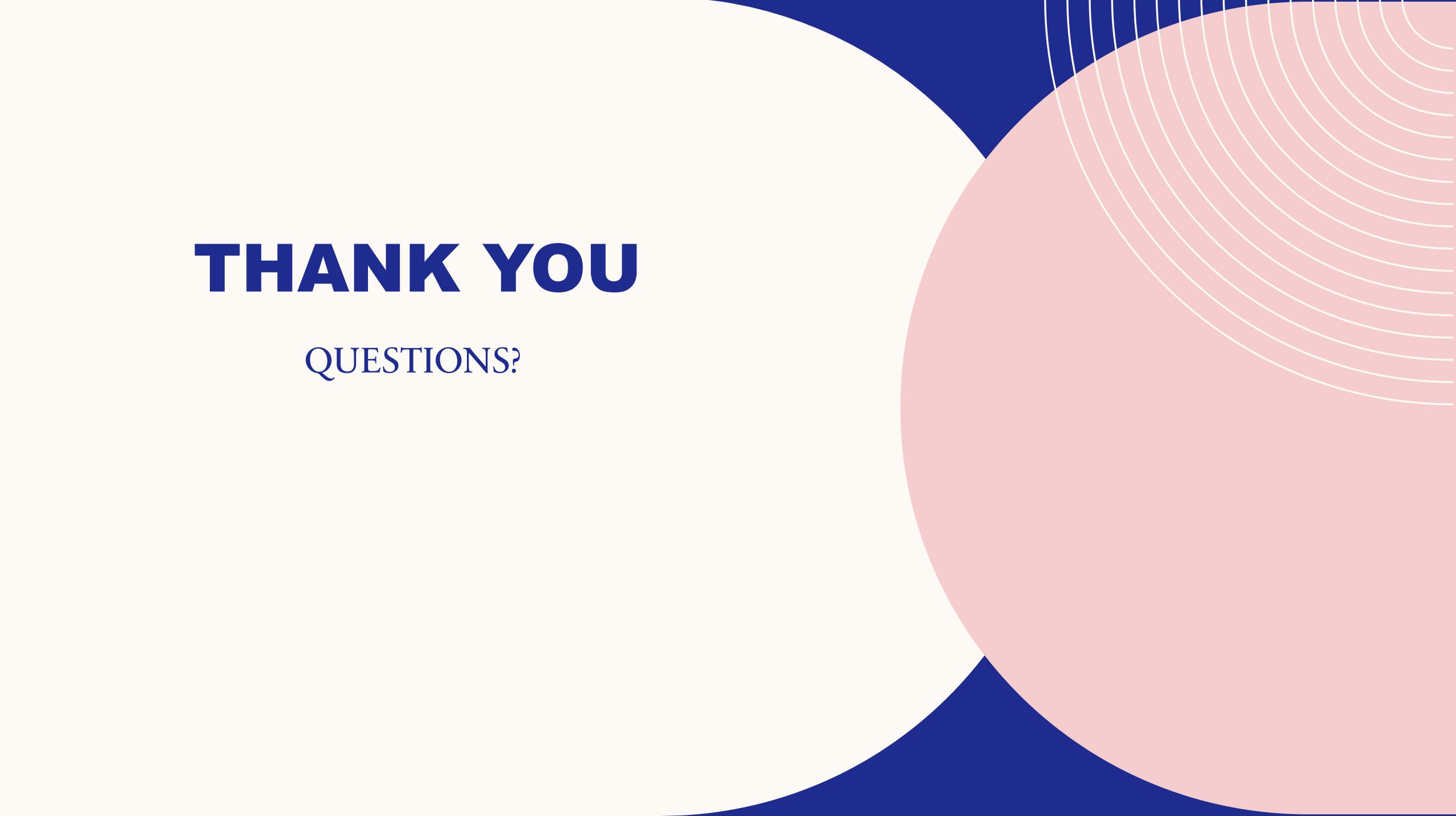
IV. AUDIT SUMMARY

As noted in the 2012 referendum, all revenue received from the sales and use tax would be used to pay the costs of the capital projects and to pay debt service on general obligation bonds, if any, issued by Bamberg County to fund the capital projects.

To verify collections, we compared the South Carolina State Treasurer's Collections Report for Bamberg County to the South Carolina Department of Revenue's Allocation Report. We verified these funds were accounted for in the Bamberg County Capital Penny Tax deposit accounts (titled "Bond Facilities Purchase" (closed 5/2016), "Series A Purchase Bond Fund" (opened 11/2015) and "CPST 2019" (deposits started 7/31/2019)). To verify expenses, we reviewed a selection of capital project transactions from the general ledger and verified supporting invoices and payments from the Bamberg County Capital Penny Tax "Project Fund" account. Debt service on the general obligation bonds was verified against the Debt Service Schedule and the payments from the Bamberg County Capital Penny Tax debt service accounts (titled "Bond Facilities Purchase" and "Series A Purchase Bond Fund").

AUDIT CONCLUSION

For the audit period, this audit concludes Bamberg County is in compliance with the Capital Projects Sales and Use Tax Act and the 2012 referendum. The Capital Projects Sales and Use Tax revenue was used for projects listed on the 2012 referendum or to service general obligation bond debt incurred by the county for those projects.



THANK YOU

QUESTIONS?