SOUTH CAROLINA DOR DEPARTMENT OF REVENUE

Bamberg County Capital Projects Sales Tax Audit

May 1, 2013 - June 30, 2020

January 12, 2023

South Carolina Department of Revenue
300A Outlet Point Boulevard
Columbia, South Carolina 29210

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.

III. BACKGROUND

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.

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").

V. TAX COLLECTION

Bamberg County collected $5,957,886 in 1% Capital Projects Sales and Use Tax for the audit period. Bond proceeds including bond premium used to fund the approved projects was $4,705,000. Below is a list of the Bamberg County projects as approved by the 2012 referendum that reflects the actual expenditures from May 2013 through June 30, 2020 (**For informational purposes only**):

Bamberg County Capital Projects						
Project		Budgeted Cost		Actual Expenditures		Budget Variance
* 1. Courthouse renovations	$	3,541,423	$	4,117,349	$	(575,926)
2. Olar/Govan: Regional water system upgrades		14,604		14,604		-
3. Olar: Park shed		6,200		6,000		200
4. Olar: Community building renovations		37,000		36,983		17
5. Bamberg City: Civic center renovations		589,000		589,000		-
6. Denmark: Dane Theatre renovations, new roof		60,000		60,000		-
7. Ehrhardt: Downtown beautification, town hall restoration		60,000		60,000		-
8. Govan: Park shed & park improvements		15,000		15,000		-
* 9. Bamberg EDC: Veterans memorial construction		82,500		119,559		(37,059)
Total	**$**	**4,405,727**	**$**	**5,018,495**	**$**	**(612,768)**
* Overages paid for with non-penny tax funds (Total of $612,985)						

VI. 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.