HENRY MCMASTER
GOVERNOR

February 23, 2022

VIA U.S. MAIL
Hampton County Citizens for Restoration
415 Helen Street
Hampton, South Carolina 29924

RE: *Hampton County Financial Concerns – Capital Project Sales Tax Funds*

Dear Hampton County Citizens for Restoration:

Thank you for contacting the Office of the Governor ("Office") regarding the above-referenced matter. On or about February 4, 2022, the Office received the enclosed letter, dated January 18, 2022, which was signed by various individuals on behalf of "a citizens group called Hampton County Citizens for Restoration ('HCCAR')." Although the Office cannot offer legal advice or guidance to private individuals or entities, we always endeavor to assist constituents whenever possible and can provide you with certain information in response to your correspondence, which we hope you will find helpful. In addition to the Office, you sent a copy of your letter to the *Hampton County Guardian*, United States Senator Lindsey Graham, United States Senator Tim Scott, South Carolina Senator Brad Hutto, South Carolina Senator Margie Bright Matthews, Attorney General Alan Wilson, the South Carolina Law Enforcement Division, the South Carolina Ethics Commission, and the South Carolina Department of Revenue. We trust these authorities will carefully review and evaluate your correspondence in the ordinary course.

Based on a review of your letter and accompanying materials, it is the Office's understanding you have concerns about the "integrity, transparency, and fiscal accountability" of Hampton County government. Specifically, you are concerned the Hampton County Council spent local funds raised pursuant to the 2012 Capital Project Sales Tax referendum in violation of the restrictions imposed by the referendum. Further, you believe that certain public records, such as the most recent Hampton County financial audit, which may confirm the accuracy of your allegations, are not being publicly disclosed, despite your repeated attempts to request such records pursuant to the South Carolina Freedom of Information Act ("FOIA"), S.C. Code Ann. §§ 30-4-10 *et seq*. Ultimately, you are requesting "[a] forensic audit of Hampton County Financial Accounts conducted by an independent auditor with absolutely no ties or association with

Hampton County," "[c]omplete, detailed answers as to where [the Capital Project Sales Tax] money was spent," and "[a] thorough investigation to determine if criminal or ethical violations have occurred."

It is important to underscore, as a threshold matter, that state agencies and officials typically have limited, if any, authority to exercise general oversight over county elected officials. As you may know, in his Executive Budget and recent State of the State address, the Governor encouraged the General Assembly to expand the State Inspector General's jurisdiction to include local governments and other organizations that receive taxpayer funds. Although the General Assembly has not yet passed legislation giving the State Inspector General the statutory authority to review or investigate county government activities, HCCAR may wish to contact members of the General Assembly regarding this matter. Otherwise, since issues regarding the management of county funds are, in most respects, inherently local in nature, the Office encourages HCCAR to continue to address its concerns with the appropriate county officials. That said, to the extent your letter contains allegations of criminal conduct, the Governor takes these allegations seriously. Because the Office is not an investigative body and is not otherwise familiar with the circumstances in question, we are not able to address the specific issues and concerning allegations cited in HCCAR's letter. However, it is the Office's standard practice to refer allegations of this nature to law enforcement for review in the ordinary course. Likewise, the Office encourages HCCAR to report any such allegations or evidence of potential criminal conduct to law enforcement or other relevant authorities for evaluation and any appropriate action.

Additionally, the Office notes that section 4-9-150 of the South Carolina Code of Laws requires county councils to "provide for an independent annual audit of all financial records and transactions of the county and any agency funded in whole by county funds." This statute further mandates that the annual audit report must be "submitted to the Comptroller General no later than January first each year following the close of the books of the previous fiscal year." Accordingly, by copy of this letter, the Office is providing HCCAR's letter to the Comptroller General's Office in the event they may be able to assist HCCAR in these matters by confirming that Hampton County is current in submitting the requisite independent annual financial audits and, to the extent possible, determining whether there are any anomalies, irregularities, or deficiencies in the county's financials or internal controls. The Office is also providing your letter to the State Treasurer's Office and the Department of Revenue in the event either entity may be able to assist HCCAR in these matters.

Finally, to your concerns about the availability of public records, the Office directs you to Hampton County resources that provide public records: https://www.hamptoncountysc.org/DocumentCenter/Index/46. Although it appears Hampton County has recently made the 2020-2021 Hampton County Audit Report available for public review, to the extent there are outstanding FOIA-related issues, HCCAR may wish to seek legal counsel to analyze or address the same.

Once again, thank you for contacting the Office. We hope that you will find the foregoing information helpful. If the Office can be of further service or assistance in any way, please do not hesitate to call.

Very truly yours,

Michael G. Shedd

Michael G. Shedd
Deputy Legal Counsel

Enclosure
cc w/ enc: Office of the Comptroller General
Office of the State Treasurer
S.C. Department of Revenue

January 18, 2022

Governor Henry McMaster
1100 Gervais Street
Columbia, SC 29201

Dear Governor McMaster:

We are a citizen's group called Hampton County Citizens for Restoration (HCCAR). Hampton County has been identified as an extremely depressed economic county ranked in the lowest 14 of 46 counties in South Carolina. Based on the 2021 ranking of school districts, Hampton County is in the bottom third in education. According to the 2020 census, the county population has declined by almost ten percent. Lack of integrity, transparency, and fiscal accountability in local government contributes to this seriously distressed status.

A smaller group under the umbrella of HCCAR is named Recreation Now (Rec Now), a citizens' group focused on holding the Hampton County Council accountable to a 2012 referendum ordinance. This 2012 Capital Project Sales Tax referendum detailed twelve specific construction projects listed in priority order. Number four on that list, a recreation complex, was skipped/ignored by the local government. After having been told by the administrator since 2018 that there is no money for recreation, Rec Now has repeatedly asked Hampton County Council for financial details regarding these CPST funds. The financial questions have been highlighted in articles in the local newspaper and through public forum opportunities at county council meetings since July 2021, publicly for more than six months.

Finally on January 10, 2022, after a public outcry, the finance director admitted during a county council meeting that the county spent $3,668,944.98 outside of the guidelines of CPST restrictions. This was confirmed by the county audit firm. These misspent funds together with other fiscal insecurity severely jeopardizes the construction of the recreation complex voters have paid CPST for 10 years to fund.

An immediate and thorough investigation of county finances is imperative. Council has provided no detailed reconciliation of CPST revenue and expenditure and no details concerning how these restricted funds were spent although consistently asked to do so. The final fiscal 2020/2021 audit has not been publicized, but it was revealed by the audit firm at the January 10 meeting that the fire dept fund is also owed $1.5 million from the general fund. That results in a total of $5,158,945.98 the general fund must return to restricted funds which represent more than 27% of the total annual budget.

An investigation and forensic audit are necessary to ensure the integrity of the accounting for all county funds. HCCAR seeks help and guidance to cause unbiased examination and transparency of public records and information. HCCAR is made up of community members who have grave concerns regarding financial integrity, the accounting for use of restricted CPST funds as well as altered capital project priorities.

Below is a list of attempts by Rec Now to cause transparency regarding CPST funds.

Facts:

- Recreation Now has asked questions about financial records since July 2021 without answers from the County Council;
- Recreation Now has filed FOIA requests concerning financial records and those requests have been ignored or stonewalled by Council;
- An additional FOIA request has been filed requesting copies of invoices paid from CPST funds, transfers from the CPST funds, general fund cash disbursements for October 2018 and November 2018 (2 million was transferred from CPST to the general fund in October 2018), and all transactions of the CPST general ledger account during June 2021.;
- Hampton County Council has admitted in a public meeting that they spent a minimum of $3,668,944.98 outside of the 2012 CPST Ordinance restricted account; and,
- There has been no reconciliation information offered by Council as to where the missing money was spent.

Specifically, our citizen group wants and our county needs the following.

1. A forensic audit of Hampton County Financial Accounts conducted by an independent auditor with absolutely no ties or association with Hampton County;
2. Complete, detailed answers as to where this money was spent;
3. A thorough investigation to determine if criminal or ethical violations have occurred.

The County council has failed to provide the requested reconciliation of CPST revenue and expense, details of CPST expenditures, and how taxpayer money has been used. In addition to the $5 million-plus owed to restricted funds, the audit revealed that the county has an unfunded $9.5 million deficit for Other Post-Employment Benefits.

The county has no plan to reverse what appears to be a financial crisis. We believe none of these serious financial issues would have been made public if

Rec Now had not repeatedly highlighted the lack of CPST funds for recreation through articles and public forums for the last six months of 2021.

For the health of our county, the local government must be held responsible for spending restricted funds outside of ordinance dictates and other potential fiscal mismanagement. Rec Now has archived a 142-page document available for review that outlines every attempt by the group to gain insight into CPST funds.

This matter is urgent for the health and sustainability of the county and citizens' desire to restore and revitalize our communities. The following attachments are included in this correspondence:

Hampton County Guardian article on Missing Funds
2012 CPST Ordinance No. 2012-008
Hampton County Fund Balance 2013-2020
CPST Balance Sheets June 30, 2020
Slides from Finance Director Presentation January 10, 2022

We respectfully and urgently request your response and assistance by January 31, 2022, for the sake and health of our county.

Sincerely,

Faye Gooding *Faye H Gooding*
(Retired CEO of Le Creuset of America)

Charles Grill *[signature]*
(Retired Magistrate Judge of Hampton County)

Dr. William Smalls *William Small (shy)*
(Small Family Enterprises)

Randy Vaughn *A. Randall Vaughn*
(Retired Assistant Superintendent for Human Resources Greenwood Dist. 50)

Copies to:
Governor McMaster
SLED Investigations

Mr. Michael DeWitt, Hampton County Guardian
Senator Lindsey Graham
Representative Brad Hutto
Senator Margie Bright Matthews
Senator Tim Scott
Representative Shedron Williams
Honorable Alan Wilson
S. C. Ethics Commission
S. C. Department of Revenue

Attachments:

Audit reveals that H.C. Gen. Fund owes Capital Projects Sales Tax Fund $3.068 million

Michael M. DeWitt, Jr.
Bluffton Today

After months of questioning from concerned citizens, the public finally has some official answers concerning the status of the Capital Projects Sales Tax Fund (CPST). The 2020-2021 Hampton County Audit Report presented Monday night revealed that funds were not recorded properly and the county's General Fund owes the CPST a multimillion-dollar balance.

"The Capital Projects Sales Tax Fund is owed more than $3 million from the General Fund," said auditor Gary Bailey, of Love Bailey and Associate, LLC.

A Financial Update report from H.C. Finance Director Chanel Lewis indicated that the balance due from the General Fund was currently $3,068,792 in financial statements, with $600,152.98 in miscellaneous spending that might have to be factored in as well.

However, $91,917 in capital projects were not recorded in the CPST II, which would take away from the balance owed the CPST. Council will have to review this and approve it before removing it from the balance owed, said Lewis' report.

Bailey added that, after consulting with the state auditor's office, who then reached out to the South Carolina Attorney General's Office and the S.C. Department of Revenue, that "this has happened before" in other government bodies and their is a procedure to correct it.

"Hampton County has to have a plan in place to pay that money back and move forward in repaying that," Bailey added.

Following the presentation, County Council offered no comment and did not publicly discuss any future steps, but Lewis did discuss some steps during her presentation and answered questions from The Guardian after the meeting.

Lewis indicated that missteps in accounting procedures in moving money from one fund to another, and additional spending prior to 2017, caused most of the incorrect balances.

Some costs weren't recorded properly, such as for sub-contractors, and some CPST funds were reportedly spent on other, unapproved capital projects, such as maintenance projects.

Loans to the General Fund began in the fall of fiscal year 2013-2014, according to Lewis's presentation.

Some of the CPST funds were spent on the HVAC expenses for two county buildings and the H.C. Arts Council.

By 2017, when there were several construction projects underway at once, the balance due from the General Fund was already $2.6 million, Lewis said, and several of the projects costed more than originally reported.

"Our primary goal is transparency," Lewis said. "We are not trying to point any fingers or anything."

The CPST II program was approved by the voters in a 2012 referendum and contained a prioritized list of capital projects, but not every project was completed — including the countywide recreation complex. These funds, collected from a one-cent sales tax, are fiduciary funds and are required by law to be kept in a separate fund and used only for certain purposes.

Lewis also reported that the CPST already has a $1.24 million balance, not including what is owed in from the General Fund.

For months, a new citizens group, Recreation Now, has been voicing concerns that more than $3 million was either missing or unaccounted for, based on their accounting. In November 2021, following pressure from citizens, County Council ordered Lewis to make a full and accurate accounting of the CPST funds a priority.

This audit puts an answer to some questions, but raises others, say citizens.

"We didn't find any misappropriation of assets in our audit," said Bailey.

So what happens now, many wonder? How will the General Fund replace the CPST funds? How does this impact the possibility of building a recreation complex?

"That's something County Council will have to decide," said County Administrator Rose Dobson-Elliott. "I think that County Council is focused on recreation and following through with its promise. Council is committed to the referendum."

While Council did not discuss the CPST or audit presentation, Lewis says that her office is already taking steps to recover and repay that balance. She told The Guardian that she has a five-year plan to recover the CPST funds, but hopes to achieve that in less time.

The budget has been reduced by $1.5 million, several funds have been consolidated and accounting procedures cleaned up, and she is working on a recovery plan. Lewis says she has also meet with all department heads to go over these steps.

"Now, reporting and recording will be correct," she added. "What happened with the CPST and all those things that we can't tie down should never happen again."

She assured The Guardian that the recent Capital Financial Recovery Plan, which was approved by County Council in May 2021 and added a new tax line item to county tax notices, was not being used to repay the CPST deficit.

Meanwhile, Recreation Now spokesperson Randy Vaughn says that the fight is not over and his group will continue to hold County Council to its promise of building the citizens a rec center.

"The CPST Ordinance stands and will be defended as it should be," said Vaughn during the meeting. "That is a state statute and any conversation about changing what the people voted on and approved will be met with strong resistance."

"Thankfully, we finally have some information on how the CPST funds were spent," he added. "Now we need a detailed reconciliation sheet showing how every CPST penny was spent... The unfortunate item here is the fact that it has taken six months to verify the discrepancy. It appears no one would have discovered this if Recreation Now had not raised the issue."

"You (County Council) need to immediately develop and communicate how you are going to build a recreation complex that the people have voted for and paid for. The council needs to do that without sneaking in an extra tax that makes the people pay twice for a recreation complex. Finally, you need to order a forensic audit at this juncture. That is the only way the people will know for sure that appropriate action has been taken."

During his presentation, Bailey reminded the public that his report was a financial statement audit, and not a forensic audit.

The audit report also revealed that Fire Bond Balance is also due $1.5 million from the General Fund.

Overall, Hampton County received a "clean" unqualified audit, with no other major findings, said the auditor. The auditor noted several accounting procedures had been "cleaned up" from the previous year and pointed out several positive trends, including a "big jump" in operating income. County officials pointed out that they were able to reduce the budget but $1.5 million overall.

STATE OF SOUTH CAROLINA	)	
	)	**ORDINANCE NO. 2012-008**
COUNTY OF HAMPTON	)	

AN ORDINANCE

TO IMPOSE, SUBJECT TO REFERENDUM APPROVAL AND PURSUANT TO THE CAPITAL PROJECT SALES TAX ACT, A ONE PERCENT (1%) SALES AND USE TAX (THE "TAX") WITHIN HAMPTON COUNTY FOR NOT MORE THAN EIGHT (8) YEARS; TO ORDER A COUNTY-WIDE REFERENDUM ON THE QUESTION OF IMPOSING THE TAX AND TO PRESCRIBE THE CONTENTS OF THE BALLOT QUESTION; TO SPECIFY THE PURPOSES FOR WHICH THE PROCEEDS FROM THE TAX ARE TO BE USED, THE MAXIMUM TIME FOR THE IMPOSITION OF THE TAX; AND TO PROVIDE FOR OTHER MATTERS RELATING THERETO.

Be it ordained by the Council of Hampton County, South Carolina:

SECTION 1. Findings.

The Council finds and determines that:

(a) counties are authorized by the Capital Project Sales Tax Act, codified as Sections 4-10-300 to -380, Code of Laws of South Carolina 1976, as amended (the "Enabling Act"), subject to approval by a majority of the votes cast in a referendum, to impose countywide a one percent sales and use tax for the purpose of generating funds to pay for certain capital improvements;

(b) the Enabling Act establishes a procedure for imposing the capital sales tax including the passage of an enacting ordinance ("Enacting Ordinance") and the creation of a commission for the purpose of considering proposals for funding capital projects and formulating the referendum question that is to appear on the ballot;

(c) by passage of Resolution adopted on September 19, 2011, Council created the Hampton County Capital Project Sales Tax Commission (the "CPST Commission") and the CPST Commission has submitted to the Council a referendum question; and

(d) the purpose of this ordinance is to serve as the Enacting Ordinance in accordance with the Enabling Act.

SECTION 2. Imposition of Sales and Use Tax.

There is imposed in the County a one percent sales and use tax in accordance with and pursuant to the Enabling Act, provided, that, a majority of the votes cast in the referendum are in favor of imposing the tax. If approved in the referendum, the tax is imposed on the first of May following the date of the referendum.

SECTION 3. Referendum; Ballot Question.

(a) The County Election Commission shall conduct a referendum on the question of imposing the sales and use tax at the November 6, 2012 General Election. The referendum shall be conducted in accordance with this Enacting Ordinance, the Enabling Act, state election law and any other applicable law.

(b) As formulated by the CPST Commission, the referendum question to be on the ballot is:

Must a special one percent sales and use tax be imposed in Hampton County (the "County") for not more than eight (8) years from the date of imposition to raise the amounts specified for the following purposes and in order to pay the costs (including rights-of-way acquisition and architectural, engineering, legal, administrative costs, and related fees) of the projects described below; pending the receipt of such sales and use tax, must the County also be authorized to issue and sell, either as a single issue or as several separate issues, general obligation bonds (the "Bonds") of the County in the aggregate principal amount of not exceeding $10,000,000.00 to be paid from sales and use tax to be received and pledge the sales and use tax to be received to the payment of the principal of and interest on the Bonds?

1. $907,000.00- Prepaying existing debt for Emergency Communication System;
2. $500,000.00- Prepaying existing USDA loan for the renovation of the Estill Library;
3. $2,627,000.00- Construct a New Health Department on current site;
4. $3,500,000.00- Construct a Recreation Complex in the Hampton/Varnville area to include baseball fields, gym, open areas, play ground, etc.;
5. $2,500,000.00- Renovate and enlarge the existing County Library in Hampton;
6. $102,000.00- Repairs to the roof of the Hampton County Detention Center;
7. $195,000.00- Structural improvements to County Museum;
8. $20,000.00- Improvements to the County Animal Shelter;
9. $100,000.00- Improvements to the exterior of the County Administration Building;
10. $700,000.00- Yemassee Multi-Purpose Building;
11. $150,000.00- Improvements to existing Estill Recreation facilities; and
12. $100,000.00- Renovations to Estill Senior Citizens Center.

TOTAL COST OF ALL CAPITAL PROJECTS: $ 11,401,000.00

The maximum amount of net proceeds of the sales and use tax which may be applied to the payment of the principal of and interest on the County's general obligation bonds (the "Bonds") must not exceed $12,600,000.00 (based upon expected sales and use tax collections of $12,600,000.00 less administrative expenses of collection). The not exceeding $10,000,000 principal amount of Bonds to be issued shall be repaid from the net proceeds of the sales and use tax which shall be pledged for the repayment of the Bonds.

CONDITIONS AND RESTRICTIONS ON THE USE OF SALES AND USE TAX REVENUE COLLECTED UNDER THE CAPITAL PROJECT SALES TAX ACT: The capital projects sales and use tax shall be expended for design, engineering, construction or improvement of the capital projects listed above. Net proceeds of the capital project sales and use tax, if approved , must be expended for the purposes stated in the priority listed; provided , however, that the order of funding of the projects may be adjusted on the basis of construction schedules or other events that may affect the schedule for any particular project; and provided that multiple projects may be funded simultaneously based on the formula or system contained in the ordinance enacted by the Hampton County Council which shall include, but shall not be limited to any one or more of the following : (1) to pay directly the costs of such projects; (2) to issue the County's general obligation bonds; or (3) to borrow, in a manner deemed advisable by the Hampton

County Council, funds in advance of receiving the net proceeds of the one percent sales and use tax. The expenditure of revenues from the capital projects sales and use tax, if approved, shall be subject to acquisition of title, right-of-way, design and engineering considerations, environmental issues, the discovery of historic sites or endangered species, the receipt of necessary permits, funding of projects from other sources, bids in excess of project estimates, qualifications of bidders, cost overruns, exhaustion or insufficiency of net sales and use tax revenues to complete all projects in order and priority provided herein and other unforeseen circumstances and conditions. If net sales and use tax revenues are insufficient to fund completely all projects, the lowest priority project(s) will not be fully funded. In such event, the lowest priority project(s) will be initiated only upon the condition of availability of funding from other sources to complete the project(s).

INSTRUCTIONS TO VOTERS: All qualified electors of the County desiring to vote in favor of imposing the tax for the stated purposes and authorizing the issuance and sale of limited obligation bonds in connection therewith as outlined above and subject to the limitations and conditions set forth above shall vote "YES" and all qualified electors opposed to levying the tax and issuing such limited obligation bonds shall vote "NO".

YES [ ]

NO [ ]

SECTION 4. Required Information.

The Enabling Act requires the Enacting Ordinance to specify certain information. The following information is provided to satisfy the content requirements:

(a) Use of Proceeds: The proceeds of the tax are to be used for the purposes or projects set forth in the question above.

(b) Maximum Time: The tax will be imposed for a period not to exceed eight years from the date of imposition.

(c) Conditions: Revenues from the capital project sales and use tax shall be used and expended to defray the costs of the projects.

SECTION 5. Ordinance to Election Commission.

The Clerk to Council shall send a certified copy of this ordinance to the Hampton County Election Commission not later than August 15, 2012.

SECTION 6. Controlling Ordinance.

To the extent this ordinance contains provisions that conflict with provisions contained elsewhere in the Hampton County Code or other County ordinances, the provisions of this Enacting Ordinance supersede all other provisions and this ordinance is controlling.

SECTION 7. Severability.

If, for any reason, any part of this Enacting Ordinance is invalidated by a court of competent jurisdiction, the remaining portions of this Enacting Ordinance shall remain in effect.

SECTION 8. Effective Date.

This ordinance is effective upon third reading.

AND IS SO ORDAINED, THIS 16th DAY OF JULY, 2012.

HAMPTON COUNTY, SOUTH CAROLINA

Hugh B. Gray

Chair, County Council

Approved as to form:

County Attorney

ATTEST:

Clerk to Council

First Reading:	June 4, 2012
Second Reading:	June 18, 2012
Public Hearing:	July 16, 2012
Third Reading:	July 16, 2012 (~~tentative~~)

COLUMBIA 1079316v3

HAMPTON COUNTY FUND BALANCE PROGRESSION THROUGH THE YEARS

30-Jun-2013 CPST		
Cash		$0
Due to Other Fund		$14,179
Total		-$14,179

30-Jun-14		
Cash		$5,978,602
AR		$309,426
Total		$6,288,028
AP		$6,187
Due to other Fund		$32,257
Tot. Net		$6,249,584

30-Jun-15		
Cash		$6,770,392
AR		$308,860
Total		$7,079,252
AP		$125
Due to other Fund		$25,725
Tot. Net		$7,053,402

30-Jun-16		
Cash		$5,115,309
AR		$353,245
Total		$5,468,554
Due to other Fund		$577,004
Tot. Net		$4,891,550

30-Jun-17		
Cash		$1,495,100
Due From other Fund		$2,356,498
AR		$345,112
Total		$4,196,710

30-Jun-18		
Cash		$2,986,242
Due From other Fund		$1,037,592
AR		$357,807
Total		$4,381,641

30-Jun-19		
Cash		$1,486,018
Due From other Fund		$3,136,907
Total		$4,622,925

30-Jun-20		
Cash		$1,975,774
Due From other Fund		$2,593,442
AR		$359,825
Total		$4,929,041

HAMPTON COUNTY, SOUTH CAROLINA
COMBINING SCHEDULES OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
CAPITAL PROJECTS FUNDS
YEAR ENDED JUNE 30, 2020

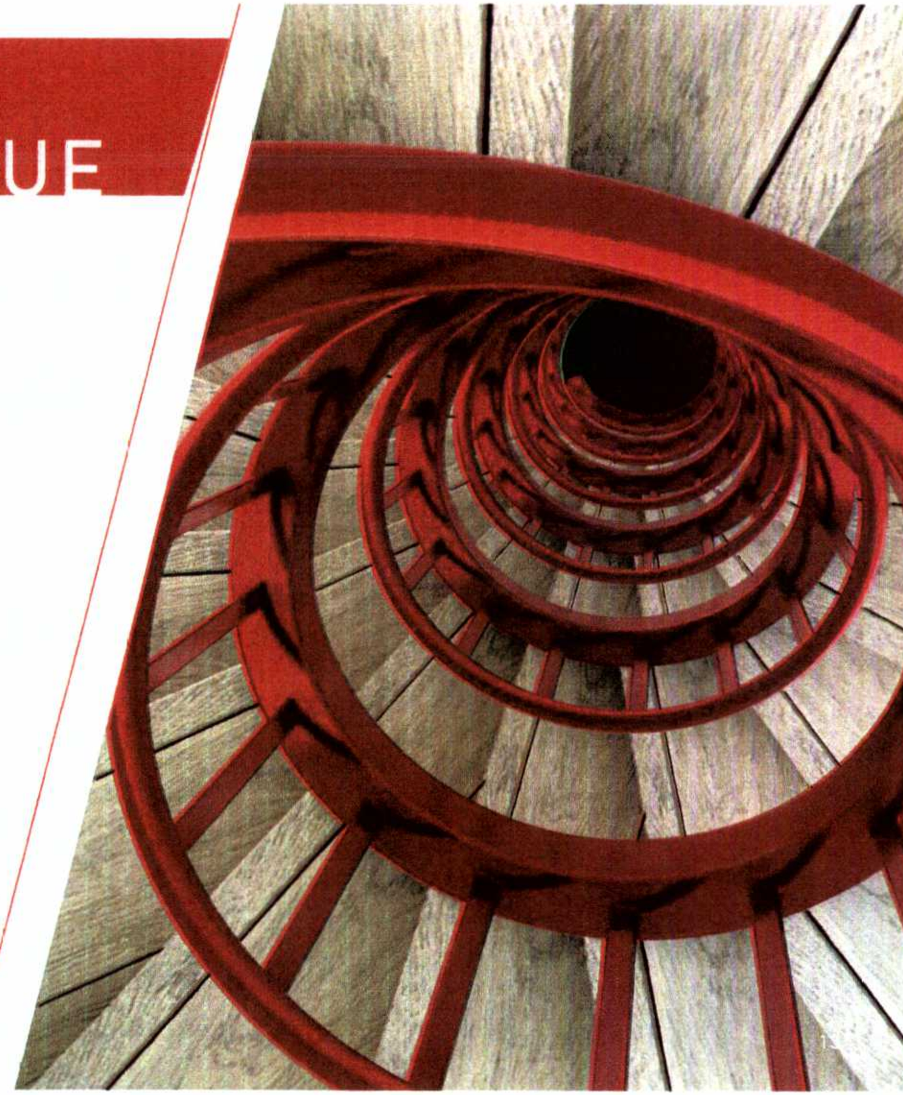
	CAPITAL PROJECTS			
	Capital Improvements	Capital Projects Sales Tax One	Capital Projects Sales Tax Two	Total Capital Projects Funds
ASSETS				
Cash and cash equivalents	$ 28,754	$ -	$ 1,975,774	$ 2,004,528
Due from other funds	-	8,206	2,593,442	2,601,648
Accounts receivable	-	-	359,825	359,825
Total assets	$ 28,754	$ 8,206	$ 4,929,041	$ 4,966,001
LIABILITIES AND FUND BALANCES				
LIABILITIES				
Due to other funds	$ -	$ -	$ -	$ -
Total liabilities	-	-	-	-
FUND BALANCES				
Restricted	28,754	8,206	4,929,041	4,966,001
Total fund balances	28,754	8,206	4,929,041	4,966,001
Total liabilities and fund balances	$ 28,754	$ 8,206	$ 4,929,041	$ 4,966,001

HAMPTON COUNTY, SOUTH CAROLINA
COMBINING SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
CAPITAL PROJECTS FUNDS
YEAR ENDED JUNE 30, 2020

	CAPITAL PROJECTS			
	Capital Improvements	Capital Projects Sales Tax One	Capital Projects Sales Tax Two	Total Capital Projects Funds
REVENUES				
Taxes	$ -	$ -	$ 1,583,110	$ 1,583,110
Interest income	39	-	3,031	3,070
Total revenues	39	-	1,586,141	1,586,180
EXPENDITURES				
Debt service	-	-	1,280,025	1,280,025
Capital outlay	-	-	-	-
Total expenditures	-	-	1,280,025	1,280,025
Excess of revenues over (under) expenditures	39	-	306,116	306,155
Fund balances, beginning of year	28,715	8,206	4,622,925	4,659,846
Fund balances, end of year	$ 28,754	$ 8,206	$ 4,929,041	$ 4,966,001

CAPITAL PROJECTS SALES TAX II- REVENUE

- Spending began in fiscal year 2012-2013
- Loans to General Fund began in fall of fiscal year 2013-204
- Balance due from General Fund was 2.6 million by 2017
- Incorrect balances were discovered on exiting reports
  - Last transaction in CPST II was May 2021 500k based upon incorrect balance information
- Council prioritized researching fund all fund transactions from inception 2012 to present
  - Research was completed November 2021 and confirmed in 2021 Audit
- Balance due from General Fund
  - $3,068,792 – In Financial Statements
  - $600,152,98 – Miscellaneous
    - Estill Library pledged from CPST II April 2013
    - Note – 9 Long-term Debt 2013 Financial Statements
  - Non-contact projects costs not recorded in CPST II
  - $91,917
    - Council review for approval
    - Remove approved balance from CPST II
- Capital Asset recording
  - Identifying projects
  - Identifying assets
- Other Use of funds
  - DSS, EMS Mechanics Shop, and Arts Council - Heat, Cooling and Ventilation (HVAC) $74,490



UNINTENDED CONSEQUENCES

- Incorrect fund balances between funds
- Fire Bond Balance Due 1.5 million from General Fund - discovered by Finance 2019

Hampton County Citizens
For Active Restoration
415 Helen St
Hampton, SC 29924

UNITED STATES POSTAL SERVICE
1000

29201

U.S. POSTAGE PAID
FCM LG ENV
VARNVILLE, SC
29944
JAN 19, 22
AMOUNT
$8.36
R2305K141080-05

PLACE STICKER AT TOP OF ENVELOPE TO THE RIGHT
OF THE RETURN ADDRESS, FOLD AT DOTTED LINE
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7020 2450 0000 3624 5534

Governor Henry McMaster
1100 Gervais Street
Columbia, SC 29201

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Legal