



Anderson County School District 2  
Education Capital Improvement Sales Tax Audit  
*July 1, 2019-June 30, 2024*

June 30, 2025

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

## **EXECUTIVE SUMMARY**

The South Carolina Department of Revenue conducted a compliance audit of Anderson County School District 2's One Percent Education Capital Improvements Sales and Use Tax program. The audit assessed the collection and use of the tax revenues over a five-year period. It was determined that the school district was in compliance and the penny tax collection was used solely on projects listed in the 2014 referendum.

### **I. INTRODUCTION**

The South Carolina Department of Revenue (Department) conducted an audit of the Anderson County School District 2 Education Capital Improvement (ECI) program. The Department has a duty to ensure public accountability and transparency regarding the expenditures of the ECI 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 Anderson County School District 2 Education Capital Improvement Sales Tax. The audit scope included review of the expenditures and collection of the sales tax revenue for the period from July 1, 2019 to June 30, 2024.

### **III. BACKGROUND**

The Education Capital Improvements Tax Act (SC Code Section 4-10-420) 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 2014 General Election Anderson County voters approved a referendum on the imposition of the 1% Sales and Use tax for a period of fifteen years beginning May 1, 2015. Anderson County School District 2 received 80% of the Education Capital Improvement tax revenue for use related to new Education Capital Improvement projects, and the remaining 20% of their collections was reserved at the County level for the purpose of property tax relief in accordance with the 2014 referendum.

### **IV. AUDIT SUMMARY**

As noted in the 2014 referendum, all revenue received from the sales and use tax would be used to pay the costs of the education capital improvements issued by Anderson County to fund the capital projects.

To verify collections, we compared the deposit amounts on Anderson County School District 2's Operating Account bank statements to the Anderson Board of Education's breakdown by district

of the funds received from the State Treasurer’s Office. To verify expenses, we reviewed capital project transactions from the general ledger and verified supporting invoices.

## V. TAX COLLECTION

Anderson County School District 2 collected \$22,895,169 in 1% Education Capital Improvements Sales and Use Tax from inception through June 30, 2024. Below is a list of the Anderson County School District 2 projects as approved by the 2014 referendum that reflects the actual expenditures from May 1, 2019 through June 30, 2024.

Anderson County School District 2 Education Capital Improvement Projects				
Project Name	Budget	Expenditures	Variance	Project Status
Alternative School	\$ 65,000	\$ 86,521	\$ (21,521)	Ongoing
High School Band Instruments	87,500	112,732	(25,232)	Ongoing - Funds allocated each year to replace broken instruments.
Manufacturing Class	300,000	256,233	43,767	Complete
Digital Marquis	60,000	62,122	(2,122)	Complete
Middle School Band Instruments	5,000	4,954	46	Complete
Choral Equipment	30,000	35,309	(5,309)	Complete
Furniture (All locations)	396,000	397,052	(1,052)	Ongoing - Funds allocated each year to replace broken furniture.
Greenhouses (Middle Schools)	52,476	77,753	(25,277)	Complete
Kitchen Renovation (Belton Middle)*	795,600	808,511	(12,911)	Complete
Bathroom Renovation (Marshall)	515,000	475,075	39,925	Complete
Outdoor Lab (Belton Elem)	75,000	69,038	5,963	Complete
Bleachers in Gym (BHP)	25,000	25,436	(436)	Complete
Gym Scoreboard (BHP)	29,682	29,826	(144)	Complete
Playground Turf (Honea Path Elem)	103,125	105,915	(2,790)	Complete
Putting Green Turf (BHP)	9,609	9,555	54	Complete
Water Fountains (All locations)	4,000	3,721	279	Complete
ABM Payment*	2,640,000	2,655,879	(15,879)	Ongoing
Anderson 1 & 2 Career and Technology Center	130,000	130,000	-	Ongoing
Teacher Device Replacement	399,301	425,233	(25,932)	Complete
Desktop Computer Replacement	100,000	105,716	(5,716)	Complete
Refinish Gym Floor (HPM)	19,986	21,962	(1,976)	Complete
Awnings (BES, WES and Transportation)	32,970	32,670	300	Complete
Retaining Wall (BHP)	20,000	15,000	5,000	Complete
Seal Coating (All but BHP)	11,366	9,428	1,938	Complete
Concrete Pads for Outdoor Coolers (WES/HPMS)	8,250	8,250	-	Complete
Equipment for Teacher Cadet Classes	23,000	17,378	5,622	Complete
Monitors for Cafeteria	11,189	11,189	-	Complete
Piano	1,342	1,342	-	Complete
AV Equipment for Auditorium	10,000	10,443	(443)	Complete
Bear Paw for Band Building	3,000	3,051	(51)	Complete
Ice Machines for Locker Rooms (Middle Schools)	10,000	7,363	2,637	Complete
AV Equipment for Gyms (BHP)	6,849	5,335	1,514	Complete
HVAC - Cafeteria (MPS)	40,000	40,525	(525)	Complete
Barn For Ag Department (BHP)	80,000	101,137	(21,137)	Complete
Outdoor Bleacher Railing (BES)	5,000	2,463	2,537	Complete
Tennis Court Resurfacing (twice within timespan)	129,000	127,980	1,020	Complete
Landscaping	45,000	43,326	1,674	Complete
Football Helmets	20,500	19,675	825	Ongoing - Funds allocated each year to replace/recondition broken helmets.
Kitchen Renovation (DO)	8,540	8,340	200	Complete
Network Closet Clean-up	9,146	9,146	0	Complete
Gym Mats	6,665	7,122	(457)	Complete
Roof Top HVAC Unit Replacement (BHP)	137,767	142,017	(4,250)	Complete

## Anderson County School District 2 Education Capital Improvement Projects

Project Name	Budget	Expenditures	Variance	Project Status
Replace/Repair Security Cameras	50,000	52,647	(2,647)	Ongoing - Funds allocated each year to replace broken/obsolete cameras.
HVAC Replacement (WES)	600,000	443,136	156,864	Complete
Plumbing Repairs (BES)	7,500	7,590	(90)	Complete
Walkie Talkies (WES)	4,000	6,069	(2,069)	Complete
Bleachers Motorization (BMS)	40,000	19,471	20,529	Complete
Playground Slide Replacement (MPS)	1,500	1,654	(154)	Complete
Scoreboard Repairs (BHP)	1,500	3,311	(1,811)	Complete
Sewer Repairs	50,000	916	49,084	Complete
HVAC Repairs (All locations)	75,000	77,116	(2,116)	Ongoing
Roofing Repairs (All locations)	12,000	12,326	(326)	Complete
Board Room Sound Equipment	12,000	22,493	(10,493)	Complete
Softball and Baseball Batting Cages*	694,000	773,846	(79,846)	Complete
ActivPanel Replacement (All Locations)	25,000	28,631	(3,631)	Ongoing -Funds allocated each year to replace broken/obsolete boards.
Interior Door Hardware Replacement (HPMS)	39,501	33,137	6,364	Complete
Install French Drain	8,000	2,800	5,200	Complete
Awnings (BMS, BHP, MPS)	90,989	99,208	(8,219)	Complete
Access Points (All Locations)*	64,407	76,935	(12,528)	Complete
Truck Repairs (Band)	3,500	8,103	(4,603)	Complete
Switch Replacement	58,000	43,583	14,417	Complete
Custodial Equipment	9,491	9,204	288	Complete
Pole Vault Pit	30,000	34,736	(4,736)	Complete
Cabling for WiFi	20,000	20,723	(723)	Complete
Visitor Check-in Equipment	20,000	20,333	(333)	Complete
HVAC Replacement (BMS)*	1,063,300	927,644	135,656	Complete
Soccer/Softball Field Drainage System	175,000	172,825	2,175	Complete
Gravel Drive (BES)	15,000	15,000	-	Complete
Gym Lighting Replacement	60,000	30,756	29,244	Complete
Bleacher Repairs (BHP)	20,000	18,891	1,109	Complete
Server Replacement	125,000	105,119	19,881	Complete
Auditorium Lobby Flooring Replacement	150,000	144,500	5,500	Complete
Remove Portable	5,000	775	4,225	Ongoing
Awning (WES)	30,000	14,750	15,250	Complete
Seal Coating and Road Repairs (BHP)	100,000	162,200	(62,200)	Complete
3K/4K Classroom Addition (HPE)*	3,412,000	3,920,481	(508,481)	Complete
Bus Cameras	60,000	33,236	26,764	Ongoing - Funds allocated each year to replace broken/obsolete cameras.
Project Lead the Way Computers*	37,500	37,521	(21)	Complete
Media Center Furniture	100,000	73,771	26,229	Complete
Football Field Repairs	50,000	2,633	47,367	Complete
Activity Bus	129,690	78,217	51,473	Complete
Classroom Furniture for new Special Ed Class	5,000	2,329	2,671	Complete
Ag Equipment	5,000	3,927	1,073	Complete
Roofing Replacement (BHP, DO)	2,000,000	1,648,346	351,654	Ongoing
Maintenance Equipment	11,000	11,678	(678)	Complete
Concrete for Baseball and Softball Stadiums	16,500	9,000	7,500	Ongoing
Architect Fees	100,000	95,564	4,436	Ongoing
Playground Equipment for Special Ed (HPE, MPS)	100,000	100,920	(920)	Complete
HVAC Replacement (BES)*	827,000	901,869	(74,869)	Complete
Repaint Gym (BHP)	40,000	34,697	5,303	Complete
Mowers	44,000	41,869	2,131	Complete
Classroom Flooring Replacements (HPE, MPS, BMS)	35,000	44,695	(9,695)	Complete
Student Devices	1,683,834	1,604,323	79,511	Ongoing - Funds allocated each year to refresh devices for 3rd, 6th and 9th grades.
Boiler Replacement (MPS)	20,000	19,208	792	Complete
Refinish Gym Floor (BHP)	30,000	30,874	(874)	Complete
<b>Total</b>	<b>\$ 18,828,074</b>	<b>\$ 18,607,311</b>	<b>\$ 220,763</b>	

\*Projects with other funding sources included in the budget and expenditures.

## **VI. CONCLUSION**

For the audit period, this audit concludes that Anderson County School District 2 is in compliance with the Education Capital Improvement Sales and Use Tax Act and the 2014 referendum. The Educational Capital Improvement Sales and Use Tax revenue was utilized exclusively for projects identified in the 2014 referendum.